The

Nation's Business

Agriculture . Mining . Manufacturing
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Finance . Education . Professions
Government . Altruism

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Protest Against Discriminatory Legislation

Organized labor is endeavoring to secure through portions of two measures now before Congress (the Sundry Civil Appropriation bill and the Clayton Omnibus bill) such exemptions as should not be granted to any class of the population. Responsibility for a wrong done should not be determined by the character of the parties doing the wrong but by the nature of the wrong itself. The maintenance of this principle is fundamental; it is in the very fabric of American jurisprudence and its retention there is essential to the full maintenance of the equality of the individual in the eyes of the law when he does wrong to or suffers wrong from another member of society.

The Chamber of Commerce of the United States by authority of its constituent members has presented its protest to the President and to Congress against such flagrant discrimination and now invites the people of the United States to consider this whole subject, to see that a principle is involved, and to recognize that there is not intended, and should not be, any desire on the part of the constructive business elements of the Nation to deny other elements the right to organize; yet at the same time to stand for the principle that no organized body, because of organization, has a right to seek special or preferential privileges which are denied to the whole body of the people. Newspapers, organizations and all who think relative to the perpetuation of a national balance between interests are invited to consider the matter and to make this subject a topic of discussion and then of action in protest the length and breadth of the land.

Outline of Contents for June 18th, 1914

THE NATION'S BUSINESS

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Entered as Second-class Matter, February 18, 1913, at the Post Office at Washington, D. C.
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SEVERAL pages of this issue are occupied with the presentation to the thinking people of the United States, of a problem in legislation precipitated by organized labor. On page 8 will be found extracts from the Sundry Civil Appropriation bill and the Clayton Omnibus bill. These three extracts viewed either alone or together show the desire of organized labor to occupy in the eyes of the law a position different from that which business is compelled to occupy. Associated with these three extracts is a brief statement setting forth their general significance. In order to demonstrate that in Congress itself there was during the discussions of Sections 7 and 18 of the Clayton Omnibus bill no clear understanding as to the significance of the amendments, pages 10 and 11 are filled with excerpts from the Congressional Record of June 1 and 2. The material presented gives the facts without color or bias. The quotations from discussions in Congress must convince all who read that the House itself was at sea relative to the legal interpretation to be placed on legislation and yet unanimous by a vote of 207 to 0, in placing before the Senate for its discussion and action, bills that contain labor exemptions in terms and that under the guise of antitrust legislation brought in subjects in no way germane to trust control.

So serious an attack on the rights of the majority of the people is involved in this discriminatory legislation that by telegraphic messages, the Directors of the Chamber of Commerce and its Special Committee on Antitrust Legislation have been summoned to meet in Washington June 23 in order to present with all possible emphasis an appeal, to the President and to the interested Committees of Congress, to save the country from an unwarranted attack on the equality of men in the eyes of the law.

The protest of the Chamber of Commerce already filed and the extraordinary gathering of the Directors for giving the protest additional emphasis, is undertaken by the authority of the organizations which constitute the Chamber of Commerce of the United States. The offensive clause in the Sundry Civil Appropriation bill for the year ending June 30, 1915 was in the bill for the year ending June 30, 1914. This one exemption alone at that time was seen to be so inimical to the real interests of the United States that a referendum vote of the organizations in 40 states was taken, resulting in authority being given to the Chamber to protest then and to protest hereafter against any such discrimination. The vote cast was 669 to 9, an overwhelming majority showing that business opinion was practically unanimous on this subject. The present vital incident is proof of the importance to the nation of an organized way of securing national business opinion, for the fact that a referendum had been taken enabled the Chamber of Commerce to act at once and to make effective the deliberate expression of opinion on the part of constructive organizations.

EVERY member of the National Chamber is invited to consider the important relation which the referendum system already has and will continue to have to the effective work of the Chamber. It is the foundation of the Chamber's influence. By no other method is it possible to bring together the opinions of widely separated localities. By no other method is it possible for anything approaching national opinion to take organized form. Consequently, no document reaching any member has more significance than the Referendum pamphlet.

It represents first, an endeavor on the part of the National Chamber to bring out national opinion; second, deliberation on the part of the Directors as to whether the subject is national in scope; third, study, usually by a committee made up of men adapted to the task and who give their time and their services for the public good without any hesitation. A Referendum pamphlet is therefore a summing up of much research and labor and represents for those who will study the pamphlet a short cut to a full understanding of the subject covered in the Referendum. A large percentage of constituent organizations already understand the value of the referendum as a means of bringing their membership up to definite judgment and vote on national questions affecting business. In view of the newness of this method as applied to the collecting of business opinion, the results are gratifying, particularly when it is borne in mind that certain organizations are very remote from Washington and a considerable portion of the voting period is consumed in transmission through the mails. Other organizations may not have meetings during the time given to a referendum; certain others are not yet equipped with committees to deal with national questions. In the field of the national organizations who are members of the Chamber, the difficulty of securing a vote is very decided but, as the votes have shown, is safely coped with. The National Organization frequently has, in view of the distribution of its membership all over the country, to secure the opinion of its members by mail before it can record its vote with the National Chamber.

DISPATCHES that have appeared relative to the International Congress of Chambers of Commerce in Paris, have indicated a meeting of far-reaching importance. The members of the National Chamber will be particularly interested to know that during the discussion as to the permanent work of the International Congress and as to ways to avoid the lapses of effectiveness which have hitherto occurred in the two year periods between the meetings of the Congress, the American representatives were able to show to the International Congress the advantages of the referendum plan which is so effective in its results for the National Chamber.

The idea of a referendum excited some opposition. The Permanent Committee, of which M. Canon Legrand, of Paris, is President, refused in March to place the plan before the Congress, and the Programme Committee refused again on June 7, after five hours' debate, to permit it to come up for discussion.

The Americans had the cordial support of the British, Italian and Austrian delegations, and M. Canon Legrand finally pledged himself and his committee to make a thorough test of the plan before the next Congress. The first test will be on the question of arbitrating international commercial disputes.

THE appropriation of $100,000 for commercial attaches, which originally appeared in the Legislative, Executive and Judicial Appropriation bill, was later ruled out on a point of order in the Committee of the Whole of the House, and then restored by the Senate Committee on Appropriations, has now passed the Senate. This appropriation will enable Secretary Redfield to begin the formation of a body of commercial attaches to serve the interests of the United Stats in various parts of the world by watchfulness relative to commercial opportunities. It is part of the increased effective machinery which by Referendum vote of the National Chamber has been approved by our organizations in building up the Bureau of Foreign and Domestic Commerce in the Department of Commerce to greater strength and efficiency.

It will be recalled that in the same referendum the vote of constituent organizations was in favor of the appointment and promotion of commercial attaches under civil service law. From the outset the preference of Secretary Redfield was that the attaches should not be appointed in this manner. This question caused much discussion in the Senate, ultimately leading, after a number of parliamentary efforts involving the reconsideration of his vote by Senator Owen, to a vote that such appointments should be made "subject to examinations conducted by the Secretary of Commerce."

The same appropriation bill in keeping with the desire of our members will permit Secretary Redfield to open a branch office of the Bureau of Foreign and Domestic Commerce in Boston for the service of the commercial interests of that city. Offices have already been opened in New York, Chicago, San Francisco, and New Orleans.

SPECIAL attention is drawn to an article on page 16 by Mr. Bert Ball. It deals with the important relationship that should exist between commercial organizations and the rural interests of the territory in which they are located. The whole article is impressive and suggestive and will doubtless result in much good. In the article is a sentence full of meaning for all who are undertaking any form of altruistic work. It conveys the idea that those who preach co-operation are so many and in some cases so unrelated as to be unintentionally obstructive to the practice of co-operation.

SENATOR LaFollette, by an amendment to the Legislative, Executive and Judiciary Appropriation bill, has included an appropriation of $25,000 for the inauguration of legislative reference work in the Library of Congress.

It will be recalled that by Referendum 6, the commercial organizations of the nation expressed the desire that Congress should establish a Bureau or Bureaus of Legislative Reference.

THIS issue of THE NATION'S BUSINESS is very largely given over to subjects of legislation; for owing to the exigencies of matters in Congress, with the general desire on the part of Congress to adjourn and at the same time the demand that adjournment shall not take place before antitrust legislation is complete, there is danger that indefinite and hampering legislation may be hurried through for reasons other than constructive statesmanship.

Therefore, the attention of every reader is drawn to the pages devoted to Referenda 7 and 8, and to pages given over to the discussion of labor exemptions as they appear in the Clayton omnibus bill. The endeavor has been made to present these three complicated questions without bias. Very earnest thought should be given to the recommendations of the special Committee on Antitrust Legislation which appear in Referendum 8, for this Committee has already shown it is not reactionary, but seeking constructive conclusions; yet it will be found in Referendum 8 that its recommendations are negative in a number of directions and for the reason that the proposed legislation involves untried principles and legislative experiments that should not receive the approval of a deliberative body.

THE 7th Annual Convention of the Southern Commercial Secretries' Association which was held in Vicksburg, June 4th to 6th, was one of extraordinary value to all who attended the sessions. Every man there, familiar more or less with commercial organization work, was ready to give others that which he knew and to learn from others. It was a convention of friendly interchanges that cannot fail to re-act favorably upon the commercial organizations of the South. Those who failed to gain from the convention were those who did not attend. Organizations in the South should regularly provide for their secretaries to attend a professional gathering of this kind.

Referendum on Regulating Business Practices

By July 9 the votes of constituent organizations must be in the office of the National Chamber relative to the questions submitted in Referendum 8 which was mailed to all members on May 25. This Referendum takes up all the phases of trust legislation which are included in the Clayton and Newlands Omnibus bills, except those phases dealing with an Interstate Trade Commission, in connection with which a Referendum has already been completed, as will be seen on pages 5 and 6. The Referendum pamphlet contains a careful presentation of the principles involved in the proposed legislation. Some of the principles are seen to be dangers and some are untried. The votes of constituent members on the principles involved should be sent in with the least possible delay.

AGAIN the organization members of the Chamber of Commerce of the United States are called upon as a patriotic duty to study proposed legislation in Washington, consider carefully its possible effects upon business and express their convictions relative to either the timeliness or appropriateness of such legislation.

Referendum No. 8, which is the report of the Special Committee of the Chamber on Antitrust Legislation relative to proposals for regulating business practices, is in the hands of all organization members. It is worthy of their time and thought, for this remarkable report is a thoroughly clear analysis of the proposals for regulating business practices, arranged in such form and sequence that it is easily possible to understand the vital character of some of the startling legislative proposals contained in the Clayton omnibus bill and also, in less degree, in the Newlands bill.

If our readers will turn back to the last issue of THE NATION'S BUSINESS they will find on pages 3 and 4 an analysis of the measures referred to. Since that time the status of the legislation has changed in that the Covington Interstate Trade Commission bill, the Clayton omnibus bill regulating business practices, and the Rayburn bill relative to railroad securities have passed the House and have reached the Senate. In the Senate the Covington bill went to the Committee on Interstate Commerce of which Mr. Newlands is Chairman; and the Clayton bill to the Committee on the Judiciary. Mr. Newlands has promptly reported out the Covington bill, amended by substituting that portion of the Newlands omnibus bill (S. 4160) which pertains to an interstate trade commission, making use at the same time of the Stevens bill (H. R. 15660) which, instead of attempting the prohibition of unfair practices in competitive businesses through detailed definition, declares all unfair competition illegal and upon complaint the proposed interstate trade commission is given authority to decide if a practice in the circumstances shown is unfair. In connection with the report of Referendum 7, on pages 5 and 6 sections of the amended Covington bill are reprinted.

As each member, either organization or individual, is in possession of the Referendum pamphlet, nothing but an outline of the recommendations submitted to referendum is necessary here. It should, however, be stated that the referendum pamphlet as a whole is a document of remarkable breadth and completeness in character. Each phase of antitrust legislation receives analysis and in connection with each a recommendation or a statement of divided opinion is made. The headlines in the following columns will enable the reader to understand the scope of the report.

It is appropriate to draw attention to the fact that this report made no recommendations relative to the exemptions proposed for labor unions, which are treated in this issue on pages 8, 9, 10 and 11; for as the Committee in its report very properly says, these sections do not belong in the bill, and the attitude of the Chamber had been defined by Referendum. As the Committee said: "They deserve separate and careful consideration. As the principles involved do not come within the jurisdiction of a committee on trust legislation they have not been discussed in the report."

Unfair Business Practices

Discrimination in Prices

1. THE COMMITTEE RECOMMENDS THAT THERE SHOULD BE NO ATTEMPT BY STATUTE TO FORBID DISCRIMINATIONS IN PRICES OF COMMODITIES.

The practice forbidden by the House bill is discrimination in prices for reasons other than considerations of quality, quantity, and cost of transportation and for the purpose of "destroying or wrongfully injuring" the business of a competitor. The penalties are those of the Sherman Act. The Senate bill does not propose new legislation on this subject.

So far as discriminations in price are used as means to effect monopoly or to restrain trade they are already within the inhibitions of the Sherman Act. Nineteen States have passed legislation on the subject. Conditions within the area of a State may be so similar as to justify uniformity of prices, but there cannot be said to be any such uniformity of conditions throughout the area of the United States. In thirteen of the States the laws have been adopted since 1910, and there has not yet been such enforcement of these statutes as to afford convincing evidence of their usefulness even in the restricted areas of individual States.

Products of Mines

2. THE COMMITTEE RECOMMENDS THAT A PROPOSAL TO COMPEL PERSONS CONTROLLING THE PRODUCT OF MINES TO SELL TO ALL APPLICANTS "WHO MAY BE RESPONSIBLE" IS WRONG IN PRINCIPLE AND UNWORKABLE IN PRACTICE.

Concerning the products of mines of all kinds the House bill contains a proposal which if enacted would initiate a new policy. Under penalties of fine and imprisonment, any person controlling the product of a mine which is sold in interstate or foreign commerce would be compelled to make sales to any responsible applicant who wished to make purchases for use in domestic trade. The Senate bill contains no provision.

Such a proposal, applying to all mines regardless of size and of the nature of product, has no relation to monopoly or restraint of trade, which are the subjects of the Sherman Act. If in interstate trade a monopoly of any natural resource, such as iron ore, is created, there is already an offense under the Sherman Act. The proposal not only goes beyond the Sherman Act, but it begins a policy in which fixing of prices for commodities by governmental authority is a part. Before such a policy is undertaken, its need should be demonstrated, its effect upon small as well as large businesses should be weighed, and its validity under the limitations of the Constitution should be considered. As the annual product of mines approaches one billion dollars in value, the interests involved require careful deliberation before the policy is put into effect.

Exclusive Contracts

3. THE COMMITTEE RECOMMENDS THAT THERE SHOULD NOT BE STATUTORY PROHIBITION OF CONDITIONS ACCOMPANYING SALES AND LEASES TO THE EFFECT THAT BUYERS OR LESSEES CANNOT HANDLE OR USE THE PRODUCTS OF COMPETITORS.

The House bill provides that under the penalties of the Sherman Act no sales can be made or leases entered into upon condition that the buyer or the lessee is not to buy or use the products of a competitor. The Senate bill contains no analogous proposal.

Exclusive-sales arrangements with middlemen are widely used by manufacturers. In ordinary business practice they are not a means of monopoly, they afford manufacturers of limited resources an opportunity for representation of their goods in distant markets, and they encourage effective competition. There should be no legislative denunciation of a settled business custom used generally in situations where there is no suggestion of attempt at monopoly.

As to conditions attached to leases, proceedings now pending in Federal courts may be expected to result in an interpretation of the Sherman Act. (United States v. United Shoe Machinery Co. et al.) Legislation should at least await the result of this case

Summary

As the committee indicated at the beginning of its report, as well as under its separate recommendations, it believes that any attempt at prohibition of unfair practices in competitive businesses through detailed definition will be harmful. A different method for dealing with questions of competition has been proposed and incorporated in a bill introduced in Congress (H. R. 15660, Mr. Stevens.) Under the terms of this bill all unfair and oppressive competition is declared illegal and upon complaint the proposed interstate trade commission is given authority to decide if a practice in the circumstances shown is in fact unfair and oppressive. If the commission determines there is unfairness and oppression it will issue its order that the practice be stopped. The principal features of the Stevens Bill appear in the present Senate report (see page 5).

Enforcement of Laws

Government Decrees

4. THE COMMITTEE RECOMMENDS THAT THE FINAL DECREE IN AN EQUITY SUIT BROUGHT BY THE GOVERNMENT WHICH ESTABLISHES THE EXISTENCE OR THE NONEXISTENCE OF A RESTRAINT OF TRADE OR OF A MONOPOLY SHOULD BE CONCLUSIVE EVIDENCE AS TO THE SAME GENERAL FACT IN PRIVATE ACTIONS BROUGHT AGAINST THE SAME DEFENDANTS UNDER THE ANTITRUST LAWS.

According to the House bill, a final decree in an equity suit brought by the United States under the antitrust laws would, as to the same facts and the same questions of law subsequently at issue in a private suit for three-fold damages, be conclusive evidence both in favor of and against the defendants. The Senate bill contains no provision bearing directly upon this point.

The purpose of this proposal is to increase the efficiency of the means for enforcing the antitrust laws. This purpose will be equitably attained by the committee's recommendation; for on the one hand the decree in an equity proceeding brought by the Government will be conclusive subsequently in actions brought by private persons only concerning the general and essential question whether or not there has been a restraint of trade or a monopoly, and on the other hand the decree will not be conclusive upon specific acts occurring between defendants and individual members of the public. If decrees in a Government suit were to be conclusive as to specific facts every Government suit would necessarily become an inquisition of such dimensions that final decision would be postponed until the questions involved had ceased to have practical importance.

Regulation of Corporations

Interlocking of Directors

BUSINESS CORPORATIONS

The Senate bill makes it unlawful for a corporation to engage in commerce which Congress can regulate if among its officers or directors there is any person who is an officer or director in a competitive corporation, unless within one year the proposed interstate trade commission upon application and after public hearings at which the petitioner, the Attorney General, and any persons who are engaged in competitive business may be heard, has certified that the community of officers or directors does not substantially impair competitive conditions. The House bill contains an outright prohibition without means of approval for a particular case, but this prohibition is effective only (1) if one of the corporations in question has capital, surplus, and undivided profits aggregating more than $1,000,000, and (2) if the corporations concerned are by virtue of business or location such competitors that an elimination of competition by agreement among them would violate any of the antitrust

Referendum 8

(Continued)

laws. The illegality is entirely personal to the individual who becomes a director of the proscribed sort and involves a fine of $100 for each day of the continuance of the illegal situation, or imprisonment. The Senate bill in effect allows one year as a period during which the directorates and the management of existing corporations may be reformed. The House bill allows two years.

5. THE COMMITTEE RECOMMENDS THAT INTERLOCKING OF DIRECTORS AMONG COMPETITIVE BUSINESS CORPORATIONS, INCLUDING RAILROAD CORPORATIONS, SHOULD BE PROHIBITED REGARDLESS OF THE SIZE OF CORPORATIONS IF ELIMINATION OF COMPETITION AMONG THE CORPORATIONS IN QUESTION WOULD CONSTITUTE A VIOLATION OF THE SHERMAN ACT.*

RAILROADS AND INDUSTRIES

Both the Senate and the House bills include provisions regarding interlocking of directors between railroads and other businesses. The businesses in question may be divided into (1) industrial concerns with which railroads deal in buying, selling, or contracting regarding equipment, supplies, construction, and the like, and (2) banks and other concerns with which they have financial transactions. The Senate bill contains a sweeping prohibition affecting both of the classes of businesses just cited whereas the House bill has separate and more detailed prohibitions for each class. The committee has considered each class by itself, believing that in any event somewhat different considerations are involved.

6. THE COMMITTEE RECOMMENDS THAT INTERLOCKING OF OFFICERS AND DIRECTORS BETWEEN RAILROADS AND INDUSTRIAL BUSINESSES WITH WHICH THEY TRANSACT A SUBSTANTIAL VOLUME OF BUSINESS (FOR EXAMPLE, IN THE RELATION OF BUYER AND SELLER) SHOULD BE PROHIBITED EXCEPT IN SUCH INSTANCES AS THE INTERSTATE COMMERCE COMMISSION MAY DETERMINE ARE NOT DETRIMENTAL TO THE PUBLIC INTEREST.

RAILROADS AND BANKS

Being divided in opinion concerning regulatory prohibitions affecting railroads and financial institutions, the members of the committee have united in no recommendation on the subject but suggest that members of the Chamber be asked to vote upon the following questions:

7. (a) SHOULD INTERLOCKING OF OFFICERS AND DIRECTORS BETWEEN RAILROADS AND BANKERS WITH WHOM THEY HAVE FINANCIAL TRANSACTIONS BE ENTIRELY PROHIBITED? OR (b) SHOULD THERE BE LEGISLATIVE PROHIBITION OF SUCH INTERLOCKING WITH A PROVISION THAT A FINDING OF THE INTERSTATE COMMERCE COMMISSION TO THE EFFECT THAT IN A PARTICULAR INSTANCE THERE WAS NO DETRIMENT TO THE PUBLIC INTEREST WOULD PREVENT ILLEGALITY IN THAT INSTANCE? OR (c) SHOULD THERE BE LEGISLATION IN A FORM WHICH WOULD NOT PRONOUNCE ILLEGAL EXISTING SITUATIONS BUT WOULD AUTHORIZE THE INTERSTATE COMMERCE COMMISSION UPON FINDING A DETRIMENT TO THE PUBLIC INTEREST IN ANY INTERLOCKING TO ORDER THAT IT BE TERMINATED?

*(One member of the committee thinks that interlocking should not be prohibited unless mere lessening of competition would constitute violation of the Sherman Act.)

DIRECTORS OF BANKS

The Senate bill expressly exempts banks from the operation of its provisions regarding interlocking of directors. Concerning banks the House bill, however, has extended provisions, expressed with two limitations, one referring to amount of resources regardless of the location of the banks in question and the other affecting banks located in the same place.

Upon the subject of interlocking of directors among banks the committee makes no recommendation, but upon the larger question which is involved it states the following questions on which to ask the members of the Chamber to vote:

8 (a) SHOULD THE PROBLEMS INVOLVED IN PREVENTING CONCENTRATION OF CREDIT BE REFERRED FOR INVESTIGATION AND RECOMMENDATION TO THE FEDERAL RESERVE BOARD OR SOME OTHER COMPETENT BODY? OR

(b) SHOULD THESE PROBLEMS BE THE SUBJECT OF IMMEDIATE LEGISLATION, FOR EXAMPLE, IN THE FORM OF A PROHIBITION OF INTERLOCKING OF OFFICERS OR DIRECTORS AMONG BANKS IF ANY BANK IN QUESTION IS OF A CERTAIN SIZE?

Corporate Ownership of Stock

9. THE COMMITTEE RECOMMENDS THAT CORPORATE OWNERSHIP OF STOCK DIRECTLY OR INDIRECTLY OF COMPETITOR CORPORATIONS SHOULD BE PROHIBITED IF ELIMINATION OF COMPETITION AMONG THE CORPORATIONS IN QUESTION WOULD CONSTITUTE A VIOLATION OF THE SHERMAN ACT, EXCEPT IN SUCH INSTANCES AS THE INTERSTATE TRADE COMMISSION (OR THE INTERSTATE COMMERCE COMMISSION IN THE CASE OF RAILROADS) MAY DETERMINE ARE NOT DETRIMENTAL TO THE PUBLIC INTEREST.*

The Senate and the House bills are alike in dealing with two situations, (1) where a corporation buys stock in a competitor corporation and (2) where a corporation buys stock in two or more corporations which are competitors among themselves. In the latter instance only is the purchasing corporation usually called a "holding company." The bills are also alike in making such a purchase of stock illegal only if the result is to lessen competition in a substantial degree. There is dissimilarity, however, in that the House bill would leave the question of lessened competition to the courts whereas the Senate bill makes it a subject for administrative determination by the interstate trade commission or the Interstate Commerce Commission, as the nature of the corporations may determine.

As in the case of interlocking of directors any proposal for legislation regarding corporate ownership of stock should be so formulated as accurately to reach a situation which is contrary to public policy and to affect no other. The provision for a finding by a commission that the facts in a particular case do not involve detriment to the public interest will permit legitimate corporate ownership of stock in situations where modern conditions leave no practical business alternate. For example, the laws of some foreign nations are such that an American manufacturing corporation must organize a selling corporation to do business in each of these countries. It happens, too, that the laws of some States do not permit a corporation organized under the laws of another State to hold real estate, and a local corporation becomes a necessity. The laws of some States by placing discriminating burdens on corporations of other States that do business within their borders in practice compel the creation of a local corporation. These are but instances of situations in which corporate ownership of stock in other corporations is a prerequisite for doing business upon an equitable competitive basis.

Regulated Stock Issues

10. THE COMMITTEE RECOMMENDS THAT THERE SHOULD NOT BE AN ATTEMPT TO REGULATE THE SHARES OF STOCK ISSUED BY CORPORATIONS ENGAGED IN INTERSTATE COMMERCE.

"Watering" of stock by business and industrial corporations is the subject of a provision in the Senate bill. The Senate bill declares that no corporation, except banks and banking institutions engaged in or affecting commerce which Congress has power to regulate under the Constitution, can in the future issue stock unless it is paid for in full at par or unless there are contracts on the part of responsible subscribers to make such payment. Furthermore, if any such corporation proposes to accept services or property in payment for stock it must obtain from the interstate trade commission a certificate of actual value, and take payment only at this value.

No argument is known which supports this proposal. If an interstate trade commission is created with power to require annual reports of all corporations engaged in interstate commerce, the publicity given to these reports will be an effectual corrective of any abuses that may exist. Enactment of the proposal of the Senate bill would impose upon the interstate trade commission a task of great proportions, at the beginning of its career. Federal laws on the subject do not seem necessary. The States which create the corporations have laws regulating issue of stocks, and some of the States have corporation commissions. Furthermore, legislation of this sort, being largely for protection of investors, belongs peculiarly within the jurisdiction of the States. If there is to be Federal legislation in accordance with the Senate bill it should be enacted as part of a broad programme of federal incorporation of businesses which engage in interstate commerce.

[In the Referendum pamphlet and in this article references are made to bills pending at the time the Committee made its report in the latter part of May. Although the House bills have undergone some change and have been advanced toward enactment by passage by the House, the principles involved remain unchanged and their consideraton will continue to be of the utmost importance until the final form of the bills has been determined in committees in conference between the two houses.]

Alaskan Development Board

IN a report sent to Senator Key Pittman and Congressman William C. Houston, chairmen of the Senate and House committees on Territories, respectively, Secretary Franklin K. Lane, of the Interior Department, has urged the creation of a Development Board of three members to have complete control of the natural resources of Alaska, and makes a severe arraignment of the present red-tape methods in the administration of government affairs in that territory.

Bills for the creation of boards or commissions to administer the government of Alaska, have been introduced in the Senate by Senator Chamberlain of Oregon, and in the House by Delegate Wickersham of Alaska.

The following statement suggests the possibilities of red tape and circumlocution in the handling of publi business of the territory:

DEPARTMENT OF AGRICULTURE.

Forest Service: Controls use and sale of timber, homesteads, mineral rights, power sites, etc., in Chugach and Tongass National Forests, with combined area of more than 25,000,000 acres.

Biological Survey: Has charge of bird reserves; controls scientific investigations and experiments in propagation and development of animal life.

Experiment Stations: Maintained for encouragement of agriculture, experiment and demonstration of farming methods, crops, cattle breeding, etc.; sells crops grown on experimental farms.

NAVY DEPARTMENT

This Department maintains buildings, has conducted coaling station and made tests of native coal; sends vessels to coast in course of cruises; maintains and operates wireless telegraph stations along coast.

WAR DEPARTMENT

Road Commission: Controls building of roads and trails with funds appropriated by Congress and set aside from license receipts.

Engineer Corps: Controls surveys, estimates and work on river and harbor improvements.

Signal Corps: Controls construction, maintenance and operation of cable between Alaska and United States, and inland telegraph lines and wireless telegraph stations.

The War Department also maintains barracks and troops in Alaska.

TREASURY DEPARTMENT

This Department controls collection of customs duties, internal revenue, income tax; supervises and plans construction of public buildings; maintains revenue cutter service; makes public health regulations; maintains life saving service.

POST OFFICE DEPARTMENT

This Department controls mail service.

DEPARTMENT OF COMMERCE

Bureau of Fisheries: Protects seals and foxes and sells sealskins and fox skins, on Pribilof Islands; controls leasing of certain islands in Aleutian group for fox ranching; employs wardens and makes regulations for protecting of fur-bearing animals; supervises and regulates fisheries, canneries, etc.

Census Bureau: Takes the decennial census.

Bureau of Lighthouses: Constructs and maintains lighthouses, fog and light signals along coast.

Coast and Geodetic Survey: Charts and channels, rocks and obstructions to navigation along coast.

Steamboat Inspection Service: Inspects and licenses steamboats, engineers, and officers of steamboats.

Navigation Bureau: Makes and enforces navigation rules and regulations.

DEPARTMENT OF JUSTICE

This Department controls court machinery, marshals, United States attorneys and commissioners, and generally administers law and justice in the territory.

DEPARTMENT OF LABOR

Has charge of enforcement of immigration laws.

DEPARTMENT OF THE INTERIOR

General Land Office: Controls entry, patent and disposal of public domain; controls and disposes of timber on public lands outside of national forests; disposes of applications for homesteads, millsites, mineral claims, trade and manufacturing sites, townsites, coal and oil lands and rights of way in public lands; controls water power and power sites outside of national forests; handles accounts and returns of surveyor-general's office.

Geological Survey: Investigates mineral formations, coal and oil fields, water supply and stream flow, hot springs, etc.; makes topographical and geological maps of territory.

Bureau of Mines: Supervises inspection of mines and mining; enforces mining laws.

Bureau of Education: Supervises education of Eskimos and other natives, and reindeer industry among natives.

Secretary's Office: Supervises care and custody of insane; handles general correspondence as to Alaskan affairs; disburses appropriation for protection of game by wardens appointed by the governor, under rules and regulations of Departments of Commerce and Agriculture; acts as clearing house for general Alaskan matters, and performs other functions not specifically charged to other departments.

Referendum on an Interstate Trade Commission

The voting on Referendum 7 closed at midnight May 29, when 245 organizations, members of the National Chamber, had filed ballots relative to their decisions on the seven recommendations submitted to the membership by the Special Committee on Antitrust Legislation. The disparities in vote-totals in relation to the seven questions, as will be seen by the figures below, indicate that anything of the nature of a formal or unquestioning acceptance of a report was absent from this referendum. If the figures themselves failed to indicate the thorough grasp on the subject which the organizations showed, the letters transmitting the votes, if it were possible to print them in full, would give very definitely an impression that organizations consider it of importance to express local opinion on national questions.

THE Referendum No. 7 as a whole consisted of seven questions relating to the prinples involved in the proposed Interstate Trade Commission. By vote recorded, the National Chamber stands (1) for an Interstate Trade Commission of at least five members, not more than a mere majority of whom shall be of the same political party; (2) for the jurisdiction of the Commission, in conducting investigations, to extend to all corporations engaged in interstate or foreign commerce, except such as are amenable to the Interstate Commerce Commission; (3) for the Commission to require annual reports at the outset from the larger corporations (from those having capital resources of $5,000,000 or more or those having an annual income of $2,500,000), and from such other classes of corporations as the Commission may determine; (4) for the exemption of corporations from disclosing trade processes, shop costs, classification of sales and profits among particular articles, the names of customers, or other like private information, to the Commission; (5) for the publication of facts obtained by the Commission to be confined to matters of public concern; and (6) for the Commission to investigate and report on the advisability of amending the Sherman Act to allow a greater degree of co-operation in the conduct of and for the protection of foreign trade.

The Special Committee of the National Chamber which prepared the Referendum, recommended that the Interstate Trade Commission "should not now be given authority to advise applicants concerning the legality of proposed contracts, combinations, etc., under the Sherman Act." By the vote cast, which was 304 in favor and 307 against, the attitude of the National Chamber is not determined on this question. The vote indicates, however, that there is a very strong desire for the Commission to have advisory powers. A Referendum vote becomes binding upon the Chamber only when at least one-third of the voting strength is polled and at least two-thirds of the vote polled—representing at least twenty states—is cast in favor of or in opposition to a proposal.

The Chairman of the Special Committee, Mr. R. G. Rhett of Charleston, and Mr. George Rublee of Washington, formally presented the results of this referendum in person to Committees of Congress on June 6. A detailed report of the votes on all recommendations, by states and by organizations, has been placed in the hands of each member of Congress and all constituent and individual members of the National Chamber.

IN order that the whole subject of an Interstate Trade Commission (in the Senate bill called Federal Trade Commission) shall be considered in relation to the bill in the form in which it came from the House of Representatives, its present form in the Senate, and the attitude of commercial organizations as defined by Referendum No. 7, the various features are grouped. The following arrangement shows: first, the recommendations of the Chamber's Special Committee; second, the wording of the Covington bill in relation to the feature touched on by the recommendation; third, the wording as reported by the Senate Committee on Interstate Commerce.

The status of the Interstate Trade Commission bill is as follows:—On June 5, the House of Representatives by a vote of 277 to 54 passed the Covington Interstate Trade Commission bill; on June 6 it was referred to the Senate Committee on Interstate Commerce; on June 13 it was reported out by Senator Newlands, amended by substitution.

Recommendation 1

The Committee recommended that there be created an interstate trade commission of at least five members appointed by the President and confirmed by the Senate, not more than a mere majority of whom shall be of the same political party.

522 votes in favor; 124 opposed.

The House Form

"That a commission is hereby created and established, to be known as the Interstate Trade Commission (hereinafter referred to as "the commission"), which shall be composed of three commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate. Not more than two of the commissioners shall be members of the same political party."

The Senate Form

"That a commission is hereby created and established, to be known as the Federal Trade Commission, composed of five members, not more than three of whom shall be members of the same political party, and the said Federal Trade Commission is referred to hereinafter as "the commission."

Notes From Result

VOTES BY REGIONS.—The Eastern States: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania New Jersey, Delaware, District of Columbia, and Maryland; 96 in favor, 82 opposed.

Southern States: Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Tennessee, Kentucky, Texas, Arkansas and Oklahoma; 50 in favor, 2 opposed.

Central Western States: Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, Kansas, Nebraska, South Dakota, North Dakota; 199 in favor, 16 opposed.

Western and Pacific States: Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Idaho, Washington, Oregon, California, and Nevada; 62 in favor, 10 opposed.

Hawaii, 1 opposed. Porto Rico, 1 in favor. American Chamber of Commerce in Paris, France, 2 in favor.

The votes of the national organizations were 115 in favor and 14 opposed. Of these organizations, with headquarters in New York, 30 voted in favor and 7 against; located in Chicago, 53 in favor and none opposed; located elsewhere, 29 in favor and 6 opposed.

DECLINATIONS TO VOTE:—A number of organizations declined to file their ballots but at the same time registered opinions favoring further consideration and study of the question of trust control, deferred action by Congress or regarding the Sherman Act as practically a sufficient guide to business interests. These organizations were: Clinton, Iowa, Commercial Club; the Louisville Board of Trade, the Framingham, Massachusetts, Board of Trade, the National Automobile Chamber of Commerce, the Rochester Chamber of Commerce, the Watertown, New York, Chamber of Commerce, the Cleveland Chamber of Commerce, the Providence Chamber of Commerce, the Grand Rapids Association of Commerce.

Ballots Received Too Late

From nine organizations ballots were received too late to be counted. These ballots were as follows:—

YOUNG MEN'S CHAMBER OF COMMERCE, Hot Springs, Ark., entitled to three votes; voted against recommendation III and in favor of the other recommendations.

ESSEX COUNTY ASSOCIATED BOARDS OF TRADE, Mass., entitled to one vote; voted against recommendation III and in favor of the other recommendations, but in recommendation II would not permit the jurisdiction of the commission to extend to corporations engaged in foreign commerce.

BAY CITY BOARD OF COMMERCE, Mich., entitled to four votes; voted in favor of all the recommendations.

MINNEAPOLIS CHAMBER OF COMMERCE, Minn., entitled to three votes; voted in favor of all the recommendations and expressed an opinion that legislation should be postponed until the next session of Congress, that details may receive greater consideration

FROMBERG COMMERCIAL CLUB, Mont., entitled to one vote; voted in favor of all the recommendations.

LEWISTOWN CHAMBER OF COMMERCE, Montana, entitled to one vote; voted in favor of all the recommendations.

QUEENSBORO BOARD OF TRADE, N. Y., entitled to one vote; did not vote on recommendation III and voted in favor of the other recommendations.

MANILA MERCHANTS' ASSOCIATION, P. I., entitled to one vote; voted in favor of all the recommendations.

NATIONAL ASSOCIATION OF HOSIERY AND UNDERWEAR MANUFACTURERS, entitled to two votes; voted against recommendation III and in favor of the other recommendations.

MITCHELL COMMERCIAL CLUB, S. Dak., entitled to two votes; voted in favor of all the recommendations.

MADISON BOARD OF COMMERCE, Wis., entitled to three votes; voted against recommendation III and in favor of the other recommendations.

Recommendation 2

The Committee recommended that jurisdiction of the commission in conducting investigations extend to all corporations engaged in interstate or foreign commerce, except such as are amenable to the Interstate Commerce Commission.

531 votes in favor; 89 opposed.

The House Form

"That upon the organization of the commission and election of its chairman all the existing powers, authority, and duties of the Bureau of Corporations and of the Commissioner of Corporations conferred upon them by the Act entitled—"An Act to establish the Department of Commerce and Labor," approved February fourteenth, nineteen hundred and three, and all amendments thereto, and also those conferred upon them by resolution of the United States Senate passed March first, nineteen hundred and thirteen, and on June eighteenth, nineteen hundred and thirteen, shall be vested in the commission."

The Senate Form

"The powers and jurisdiction herein conferred upon the commission shall extend over all trade associations, corporate combinations, and corporations as hereinbefore defined engaged in or affecting commerce, except banks and common carriers."

Recommendation 3

The Committee recommended that the commission should not now be given authority to advise applicants concerning the legality of proposed contracts, combinations, etc., under the Sherman Act.

303 votes in favor; 308 opposed.

The House Form

(No advisory powers given.)

The Senate Form

(No advisory powers given, but section 5 implies warning as well as authorizes steps towards the issuance of an injunction.)

"That unfair competition in commerce is hereby declared unlawful.

The commission is hereby empowered and directed to prevent corporations from using unfair methods of competition in commerce.

Whenever the commission shall have reason to believe that any corporation has been or is using any unfair method of competition in commerce, it shall issue and serve upon such corporation a written order, at least thirty days in advance of the time set therein for hearing, directing it to appear before the commission and show cause why an order shall not be issued by the commission restraining and prohibiting it from using such method of competition, and if upon such hearing the commission shall find that the

Referendum 7

(Continued)

method of competition in question is prohibited by this Act it shall thereupon issue an order restraining and prohibiting the use of the same. The commission may at any time modify or set aside, in whole or in part, any order issued by it under this Act.

Whenever the commission, after the issuance of such order, shall find that such corporation has not complied therewith, the commission may petition the district court of the United States, within any district where the method in question was used or where such corporation is located or carries on business, praying the court to issue an injunction to enforce such order of the commission; and the court is hereby authorized to issue such injunction."

Recommendation 4

The Committee recommended that annual reports of corporations, if required, should at the outset be confined to those of the larger corporations (say, to those having capital resources of $5,000,000 or more or to those having annual income of $2,500,000), and to such other classes of corporations as the commission may officially determine.

512 votes in favor; 91 opposed.

The House Form

"That every corporation engaged in commerce, excepting corporations subject to the Acts to regulate commerce, which, by itself or with one or more other corporations owned, operated, controlled, or organized in conjunction with it, so as to constitute substantially a business unit, has a capital of not less than $5,000,000, or, having a less capital, belongs to a class of corporations which the commission may designate, shall furnish to the commission annually such information, statements, and records of its organizations, bondholders and stockholders, and financial condition, and also such information, statements, and records of its relation to other corporations and its business and practices while engaged in commerce as the commission shall require. * * * * They shall be made out under oath and otherwise, in the discretion of the commission. * * * The commission may also require such special reports as it may deem advisable."

The Senate Form

"To require any corporation subject to the provisions of this act which the commission may designate to furnish to the commission from time to time information, statements, and records concerning its organization, business, financial condition, conduct, practices, management, and relation to other corporations, or to individuals, associations, or partnerships, and to require the production for examination of all books, documents, correspondence, contracts, memoranda, or other papers relating to or in any way affecting the commerce in which such corporation under inquiry is engaged or concerning its relation to any individual, association, or partnership, and to make copies of the same."

Recommendation 5

The Committee recommended that in the annual reports made to the commission corporations ought not to be required to disclose trade-processes, shop-costs, classification of sales and profits among particular articles, names of customers, or other like private information.

542 votes in favor; 75 opposed.

(As will have been seen by the quotations from the House and Senate forms of the bill under Recommendation No. 4, the House bill leaves discretion with the commission as to what facts shall be required, while in the Senate form of the bill the discretion would seem to apply to the selection of the corporation rather than to the facts to be furnished by the corporation.)

Recommendation 6

The Committee recommended that the publication of facts obtained by the commission be confined to such as are of public concern.

573 votes in favor; 47 opposed.

The House Form

"The information obtained by the commission in the exercise of its powers, authority, and duties conferred upon it by this section (Section 3) may be made public, in the discretion of the commission."

The Senate Form

"The commission shall have power among others— * * * * (d) to make public, in the discretion of the commission, any information obtained by it in the exercise of the powers, authority, and duties conferred upon it by this act, except so far as may be necessary to protect trade processes, names of customers, and such other matters as the commission may deem not to be of public importance. * *"

Recommendation 7

The Committee recommended that Congress should direct the commission to investigate and report to Congress at the earliest practicable date on the advisability of amending the Sherman Act to allow a greater degree of co-operation in the conduct, and for the protection, of the foreign trade.

538 votes in favor; 67 opposed.

The House Form

(No mention of foreign trade.)

The Senate Form

(The Senate bill makes no mention of liberalizing the Sherman Act as an aid to foreign trade, except as implied in Section 3.) "The commission shall have power among others—(h). The commission is hereby directed to investigate, as expeditiously as may be, trade conditions in foreign countries where associations, combinations, or practices of buyers, dealers, or traders may injuriously affect the export trade of the United States, and also to investigate whether American exporters have combined with each other or with foreign producers or dealers to control prices abroad and to report to Congress thereon from time to time."

Quotation
from Resolutions
of the
National Foreign Trade Convention
May 27 and 28

That we urge Congress to take such action as will facilitate the development of American export trade by removing such disadvantages as may be now imposed by our anti-trust laws, to the end that American exporters, while selling the products of American workmen and American enterprise abroad, and in competition with other nations, in the markets of the world, may be free to utilize all the advantages of co-operative action in coping with combinations of foreign rivals, united to resist American competition, and combinations of foreign buyers equipped to depress the prices of American goods.

Sixth International Congress
of Chambers of Commerce in Paris

THE Sixth International Congress of Chambers of Commerce and Commercial and Industrial Associations was opened June 8 in the great amphitheatre of the Sorbonne by Raoul Peret, French Minister of Commerce. About 1,000 delegates were present.

On the platform beside M. Peret were Myron T. Herrick, United States Ambassador; Gen. Victor Michel, Military Governor of Paris; Celestin Hennion, Prefect of Police; Arthur David-Mennet, president of the Chamber of Commerce of Paris, and a number of prominent Government officials and leaders of the commercial world.

Addresses of welcome were delivered by the president of the Chamber of Commerce of Paris, by Paul Chassaigne-Goyon, president of the Paris Municipal Council; by Canon Legrand, president of the permanent committee of the Congress, and by M. Peret. Various committees were selected.

Many thousands of millions of dollars engaged in industry and commerce in the leading nations of the world were represented at the Congress. Its business sessions lasted until June 10.

The widespread range of the activities of the Congress is shown in the fact that delegates from no fewer than thirty-seven nations answered the roll call, while 369 associations, including ninety-one in the United States, representing nearly every State and Territory in the Union, are affiliated with the Congress.

The countries from which delegates were announced are Argentina, Australia, Austria, the Bahamas, Belgium, Bermuda, Brazil, British India, the British Isles, Bulgaria, Canada, Chili, China, Cuba, Denmark, Ecuador, France, Germany, Greece, Hungary, Italy, Japan, Luxemburg, Mexico, the Netherlands, New Zealand, Norway, Peru, Portugal, Roumania, Russia, Spain, Sweden, Switzerland, Turkey, the United States, and Uruguay.

Canada Strongly Represented

Canada was strongly represented with delegates from Montreal, Moncton, Ottawa, Belleville, St. Catherine's, St. John, Sherbrooke, and Toronto.

The subjects on which reports were made and resolutions presented to the Congress included.

Fixed Easter; calendar reform; unfair competition—proposed international action; customs statistics; penny postage; unification of laws concerning checks; postal transfers and clearing; unification of laws concerning arbitration procedure for regulating litigation between citizens of different nations; unification of laws relating to warehouse certificates with the view of facilitating, extending, and better guaranteeing credit on merchandise; gold reserves to prevent financial panics; advancement of time in summer; twenty-four-hour day; customs stamps for affixing to postal consignments; projected uniform type of bill of lading, as far as regards general conditions, for subsidized or regular steamship lines, in order to avoid contradictions, surprises, or uncertainties; and a study of assurance policies in international trade in order to improve their drafting.

Charles L. Bernheimer, chairman of the committee on arbitration of the Chamber of Commerce of the State of New York, submitted a plan for international commercial arbitration, and Dr. Roberto Pozzi, of Milan, Italy, moved a resolution approving of the reference to arbitrators of controversies between citizens of different countries, and adding that the various Legislatures should clothe foreign arbitrators with powers to fulfil their functions and should provide for them the protection of the law and give executive force to the judgments pronounced by them.

Unfair competition was a subject to which the attention of the Congress was called in a report by Max Leclerc, of the Chamber of Commerce of Paris. He laid on the table an exhaustive report on legislation on the subject in various countries.

Fraudulent Advertisements

M. Leclerc was followed by Eugen Lendvai, of Temesvar, Hungary, who moved the following resolution:

The Congress calls on the various Legislatures to deal with the publication of fraudulent advertisements, the wrongful use of exhibition awards, false statements of origin, and misleading names, quantities, and prices of goods. They are also called on to stamp out illicit selling-off sales and the system of giving premiums to customers, the publication of trade secrets, and the bribing of employees.

Another subject that created great interest was a proposal for the unification of laws relating to customs warehouse certificates, with the view of facilitating extending, and better guaranteeing credit on merchandise. This was laid before the Congress by Henri A. Rau, of the Belgian Chamber of Commerce in Paris.

International Gold Reserve

The new Federal Reserve Act will introduce greater flexibility into the financial system of the United States, but it will have only a small, indirect, if not negligible, effect internationally, according to F. F. Begg, of the Chamber of Commerce of London. He urged some sort of international monetary reserve to ward off panics.

International machinery, he said, should be set up through the great banks whereby there should be maintained at various points reserves of gold for use in times of panic. "A committee of the great banks," he said, "Would, in event of a panic, direct a stream of gold towards the disturbed spot." He continued:

Judging by the effect which the movement which a moderate amount of gold has under moderate conditions either to create or allay anxiety, I am of the opinion that $15,000,000 held at each of six large financial centres or the equivalent in bullion of local gold coin would be sufficient for practical purposes. This gold would be specially set apart and held exclusively for the purposes of the proposed plan. We should have, by this means, a fund of $90,000,000 always available for the purposes of the scheme. Let it be observed that the $15,000,000 which would, by hypothesis, be lodged at the point of disturbance, should that point be one of the places included in the scheme, would be available at once. It would form a species of financial "first aid," and could be released immediately to relieve the pressure.

Great Britain, France, Germany, the United States, Russia, and Austria were the countries suggested for participants in the plan, and a committee consisting of a representative from each would be empowered by a majority of votes to control absolutely the disposition of the special reserves of gold.

An account of the campaign in England to save daylight was presented by William Willett, of London. Dr. von Bottinger, a member of the Prussian House of Lords, added a report, declaring that the daylight-saving idea was regarded with great favor throughout Europe.

Raymond Poincare, President of the French Republic, presided over a dinner in honor of the delegates.

Industrial Survey in progress in Cincinnati

THE Cincinnati Chamber of Commerce through its Civic-Industrial Department has started a survey of that city from the viewpoint of all the broad phases that go to make up a city, including industrial, commercial, educational and social conditions. According to a statement of that Chamber: "It is proposed to get a clearer idea than ever before of all the fundamental things which affect the city's industrial strength and weakness; to know for what kind of industries the city is best equipped; to develop data which will enable the great educational system now being developed by the city to serve in the broadest possible way the varied interests of the city. The intention is to get at the bottom of things which affect the city's prosperity and growth, so that the elimination of these things can be taken up in a scientific manner."

The President of the Chamber has sent letters to all manufacturers in the city requesting their aid and co-operation. A questionnaire has been sent to manufacturers through which it is hoped that information may be gained relative to the raw materials that are used in the different lines of manufacture, freight rates, where the limits of the natural markets lie, the cost and availability of labor and other industrial data not now available, and which will enable officials to supply correct information concerning industrial conditions in Cincinnati.

Some of the questions, replies to all of which are held confidential by the Chamber, are as follows:

Do you know of any desirable raw material that is not available to you because of unfair freight rates?

Do you know of any undeveloped sources of raw material, the development of which would be to the advantage of Cincinnati?

Do you know of any raw materials easily accessible to Cincinnati that might be used in any line of manufacture new to Cincinnati?

Do you buy any of your partly manufactured raw materials from points other than Cincinnati because of better terms, lower prices or better quality than Cincinnati offers?

What other conditions which might be corrected now prevent your entering other markets?

If switching and railroad transfer service is not satisfactory, please state particulars and offer suggestions for betterment.

What advantages do you consider that your business enjoys by reason of its location in the Cincinnati industrial district?

What handicap do you consider that your business suffers by reason of its location in the Cincinnati industrial district?

If unfair municipal or State regulations embarrass you, please state particulars briefly.

In your opinion, what industry not now represented here could be particularly successful if located here?

What one thing more than any other do you think might be done by or with the assistance of the Chamber of Commerce to increase the prosperity of your line of business in Cincinnati?

A very important feature of the survey is the vocational education survey of the various industries, which has already been started. The work is planned in such a manner as to find out just what a worker should know for his particular line of work, what part of the worker's knowledge is supplied in the factory, what part of the knowledge can be imparted by the schools, and the opportunities for the worker to gain that knowledge. This survey has been started in the printing trade in Cincinnati, and it is expected that the results will prove of enormous benefit both to the manufacturer and to the worker.

Meeting of Directors of National Chamber

THE Directors of the Chamber were in session in Washington May 19 and 20. Two entire days were consumed in attending to the many details of the Chamber of Commerce work and considering communications from members relative to questions to be considered or decided by the Directors or the Chamber itself.

The Directors will again be in session on the 23rd of June in Washington. The meeting of the 23rd will be the fourth meeting of the Directors since their election in February.

VACANCIES FILLED:—In the place of Joseph N. Teal of Portland, Oregon, Vice-President for the Western States, who, owing to the demands of private business can no longer serve, Henry L. Corbett of Portland, Oregon, was elected. Mr. Corbett is Vice-President of the First National Bank of Portland and a member of the Portland Commercial Club and the Chamber of Commerce. Mr. James R. MacColl of Providence, R. I., was elected to fill the vacancy in the directorate caused by the election of Mr. John H. Fahey to the presidency. Mr. MacColl was for two years President of the National Association of Cotton Manufacturers and for two years presided over the International Conference of Cotton Growers and Manufacturers. He was also for two years President of the Home Market Club. He is Treasurer of the Lorraine Manufacturing Company and affiliated with the Providence Chamber of Commerce. In the place of Colonel George Pope of Hartford, Connecticut, I. M. Ullman of New Haven was elected. Col. Ullman is a member of the house of Strause, Adler and Company. He is president of the New Haven Chamber of Commerce. In the place of Mr. Ralph Stone of Detroit, Henry B. Joy of Detroit, President of the Packard Motor Car Company was elected. Mr. E. L. Philipp of Milwaukee was elected to take the place of L. J. Petit. Mr. Philipp is President of the Union Refrigerator Transit Company and a member of the Merchants' and Manufacturers' Association.

COMMERCIAL ARBITRATION:—Charles L. Bernheimer, F. A. Ferris and W. H. Douglas were appointed by the Executive Committee as the Special Committee on Commercial Arbitration.

SOUTHERN TRIP:—It was decided that during the last two weeks of October the Directors would take a trip through the Southern States. The executive officers are to prepare the itinerary. By the cordial invitation of the commercial bodies of New Orleans, the directors will hold their October meeting in that city.

PARIS CONGRESS:—The appointment of the following gentlemen was approved to represent the Chamber of Commerce of the United States at the Sixth International Congress of Chamber of Commerce and Commercial and Industrial Organizations in Paris this month: John H. Fahey, Frederick Bode, E. A. Filene, Philip B. Fouke, W. W. Kincaid, Edward G. Miner, Charles H. Sherrill, Bernard J. Shoninger, J. Wessels, Jr., and Wm. D. Wheelwright.

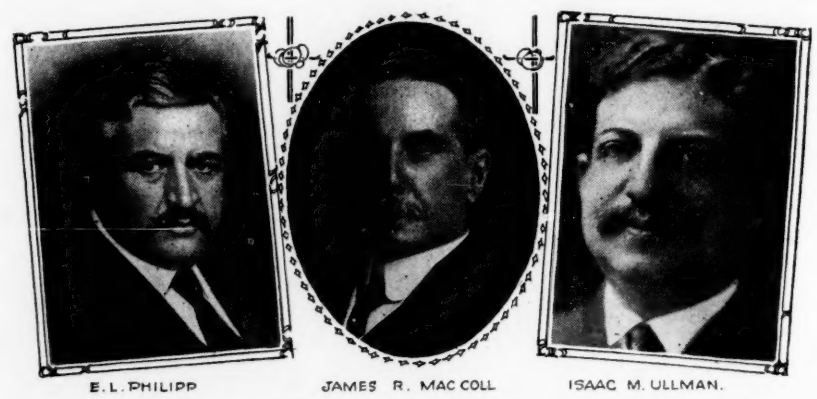
THIRD ANNUAL MEETING:—The third annual meeting will be held during the first week in February, 1915. The exact details of the meeting are left with the executive officers with power to act.

ANTITRUST LEGISLATION:—The report of the Special Committee on Antitrust Legislation relative to the Clayton and Newlands omnibus bills, was received and sent to referendum as detailed elsewhere in this issue.

FOREIGN RELATIONS:—The membership of the Committee on Foreign Relations was increased by the approval of the appointment of Mr. Charles M. Muchnic and Mr. George Woodruff.

FOREIGN TRADE CONVENTION:—Messrs. W. H. Douglas of New York, Louis S. Goldstein of New Orleans, A. H. Mulliken of Chicago, and John Joy Edson and Elliot H. Goodwin of Washington were appointed delegates to the Foreign Trade Convention which was held in Washington, May 27 and 28.

INDIVIDUAL MEMBERS:—The matter of the allotment of individual memberships to the various cities and towns of the United States was fully referred to in the May issue of THE NATION'S BUSINESS on page 8. By the order of the members of the Chamber in annual convention, the individual membership list is strictly limited to 5,000 to be allotted as equitably as possible to organizations for use of their members. During the month a number of organizations have acted and used their quota. The number of individual members elected up to June 6, amounted to 2,161.



E. L. PHILIPP JAMES R. MAC COLL ISAAC M. ULLMAN.

NEWLY ELECTED DIRECTORS

SPECIAL DIRECTORS' MEETING:—The Directors have been summoned by wire to meet in Washington, June 23, in association with the members of the Special Committee on Antitrust Legislation, to protest against exempting any class or organized body from equal responsibility in the eyes of the law. The three attacks upon equality, involved in pending legislation, are fully described on pages 8, 9, 10 and 11 of this issue.

New Organization Members

Since the last issue of THE NATION'S BUSINESS, nineteen more organizations have been elected to membership in the National Chamber. This brings the total organization membership up to 576, representing 47 states, the dependencies, and the American chambers of commerce in Europe. The list includes the following commercial organizations with purposes that are usual in community organizations:

BOARD OF TRADE of Bradford, Pa.

BOARD OF TRADE of Chester, Pa.

BOARD OF TRADE of Elizabeth, N. J.

BOARD OF TRADE of North Attleboro, Mass.

CHAMBER OF COMMERCE of Altoona, Pa.

CHAMBER OF COMMERCE of Fort Collins, Colo.

CHAMBER OF COMMERCE of Kokomo, Indiana.

CHAMBER OF COMMERCE of Livingston, Tenn.

CHAMBER OF COMMERCE of Roanoke, Va.

COMMERCIAL CLUB of Plymouth, Mass.

MERCHANTS' ASSOCIATION of Joliet, Ill.

MANUFACTURERS' ASSOCIATION, of Chicago Heights, Ill., which has for its purpose the promotion of the best interests of the manufacturers of Chicago Heights.

TRADE ASSOCIATIONS

CHAMBER OF GERMAN-AMERICAN COMMERCE, New York City. The object of this association is to foster trade between Germany and the United States, and the membership is confined to men having business relations in Germany with the United States or in the United States with Germany.

MASSACHUSETTS ICE DEALERS' ASSOCIATION of Boston, Mass., whose object is to promote the business interests of its membership.

METALWARE CLUB, New York City, whose purpose is to promote friendly relations between manufacturers of sheet metal goods and for the discussion of matters affecting the trade, and the exchange of information concerning credits.

NATIONAL BUREAU OF METAL AND SPRING BED MANUFACTURERS, Chicago, Ill. The purpose of this organization is the distribution of information regarding trade matters and the stimulation of co-operation among members.

NEW ENGLAND COAL DEALERS' ASSOCIATION, Boston, Mass., whose object is the promotion of the best interests of its members and the mutual protection of its members against all practices and business methods inimical to the interests of the trade.

NEW ENGLAND HARDWARE DEALERS' ASSOCIATION, Boston, Mass. This organization has as its object the creation of closer business relations, prevention of trade abuses and securing benefits of unity by trade arbitration and legislation.

REFRACTORY MANUFACTURERS' ASSOCIATION of St. Louis, which promotes closer relations between manufacturers, dealers and consumers of refractories of all kinds and endeavors to standardize designs and shapes.

RETAIL LUMBER DEALERS' ASSOCIATION of the State of New York, Rochester, N. Y. The purpose of this association is to foster the retail lumber trade and to distribute accurate and reliable information among its members.

SOUTHERN SUPPLY AND MACHINERY DEALERS' ASSOCIATION, Richmond, Va., which exists for the purpose of promoting the commercial interests of that trade.

Federal Legislation Now Pending Threatens

All members of the National Chamber and editors who guide public thought are asked to consider the national significance of the Sundry Civil and Clayton bills proposing exemption of one class of society from prosecution under the law. The facts in the case are set forth on this and the succeeding pages. An expression of nation-wide opinion on so palpable an evasion of equality should be made known by every means possible.

THE Chamber of Commerce of the United States has placed with President Wilson, the President of the Senate, the Speaker of the House and the Chairmen and members of interested Committees in Congress, a protest against giving labor and agriculture a different relation to law than that which commerce must hold.

In the Sundry Civil Appropriation bill of last year appeared a clause exempting labor and agricultural organizations from prosecution through certain funds that were provided for the use of the Department of Justice in enforcing antitrust laws.

The Sundry Civil Appropriation Bill (H. R. 17041) making appropriations for the year ending June 30, 1915, was reported in the House on June 4, and contains the identical clause which was condemned in the Chamber's Referendum of last year and which President Wilson said he would have vetoed, had he been able to separate this item from the rest of the bill. Concerning this same clause President Taft said in his veto "This provision is class legislation of the most vicious sort."

The Clayton antitrust bill (H. R. 15657) as it passed the House of Representatives June 5, also contained two provisions unwarrantably discriminating against business in favor of labor and agriculture. The first is contained in Section 7 and relates to the prosecution of labor and agricultural organizations under the antitrust laws. The second is in Section 18, and would prevent the courts from using the ordinary process of injunction against certain specified methods employed by labor unions in conducting strikes.

Through the insistent efforts of the representatives of organized labor to secure exemption from prosecution under the antitrust acts for labor and agricultural organizations, both these provisions in the Clayton bill were amended just prior to passage. The amendment to Section 7 is—as was pointed out frequently in the debate—so ambiguously drawn as absolutely to defy certain interpretation. Yet this blind clause, carrying one meaning to organized labor and an opposite meaning to those who favor it but are opposed to class discrimination, passed the House by a vote of 207 to 0.

Permanent Protest

The will of each constituent member of the National Chamber is expressed in relation to national affairs by its various referendum votes. The referendum taken last year in relation to the discriminatory clause in the Sundry Civil Appropriation Bill was so decisive as to compel the Chamber of Commerce of the United States not merely to protest at that time, but hereafter to be in an attitude of protest against any discrimination between the legal rights of the great groups of our population. The attitude of business organizations and their members is for equality in the eyes of the law and against special privilege. The vote of 669 to 9 cast last year was a vote coming from forty states as a protest against class legislation. A discrimination as between classes must unquestionably result in retarded national development and, prove as injurious to labor and agriculture as it will to business, for the three are absolutely inter-dependent and one cannot permanently benefit at the cost of another.

In addition to the letters of protest filed as above mentioned, the Chamber of Commerce of the United States has placed in the hands of all its members a statement of the three discriminatory clauses, a brief of the whole matter, and a statement setting forth the attitude taken by constituent members last year as explaining the attitude which the Chamber of Commerce of the United States is bound to take to this legislation this year. These are included in the pages of this issue of The Nation's Business dealing with this subject.

EXACT PROVISIONS OF PENDING BILLS

SUNDRY CIVIL BILL PROVISION

"ENFORCEMENT OF ANTITRUST LAWS: For the enforcement of antitrust laws, including not exceeding $10,000 for salaries of necessary employees at the seat of government, $300,000: *Provided, however,* That no part of this money shall be spent in the prosecution of any organization or individual for entering into any combination or agreement having in view the increasing of wages, shortening of hours or bettering the conditions of labor, or for any act done in furtherance thereof, not in itself unlawful: *Provided further,* That no part of this appropriation shall be expended for the prosecution of producers of farm products and associations of farmers who cooperate and organize in an effort to and for the purpose to obtain and maintain a fair and reasonable price for their products."

CLAYTON BILL; SECTION 7, ¶ 1

"That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of fraternal, labor, consumers, agricultural, or horticultural organizations, orders, or associations instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations, orders, or associations from carrying out the legitimate objects thereof; nor shall such organizations, orders, or associations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade, under the antitrust laws."

CLAYTON BILL; SECTION 18

"That no restraining order or injunction shall be granted by any court of the United States, or a judge or the judges thereof, in any case between an employer and employees, or between employers and employees, or between employees or between persons employed and persons seeking employment, involving, or growing out of, a dispute concerning terms or conditions of employment, unless necessary to prevent irreparable injury to property, or to a property right, of the party making the application, for which injury there is no adequate remedy at law, and such property or property right must be described with particularity in the application, which must be in writing and sworn to by the applicant or by his agent or attorney.

"And no such restraining order or injunction shall prohibit any person or persons from terminating any relation of employment, or from ceasing to perform any work or labor, or from recommending, advising, or persuading others by peaceful means so to do; or from attending at or near a house or place where any person resides or works, or carries on business or happens to be, for the purpose of peacefully obtaining or communicating information, or of peacefully persuading any person to work or to abstain from working; or from ceasing to patronize or to employ any party to such dispute, or from recommending, advising, or persuading others by peaceful means so to do; or from paying or giving to, or withholding from, any person engaged in such dispute, any strike benefits or other moneys or things of value; or from peacefully assembling at any place in a lawful manner, and for lawful purposes; or from doing any act or thing which might lawfully be done in the absence of such dispute by any party thereto; nor shall any of the acts specified in this paragraph be considered or held unlawful."

American Bar Association

At the meeting of the American Bar Association in Montreal in September last year, was submitted a report by the Special Committee To Suggest Remedies and Formulate Proposed Laws to Prevent Delay and Unnecessary Cost in Litigation. This report dealt with eight general divisions of the subject. One division was given over to the subject of injunctions. It referred to the Bartlett bill providing for an amendment to the Judicial Code, the important features of which bill (with slight verbal changes) have become Section 18 of the Clayton antitrust bill now including the following words by way of amendment, "nor shall any of the acts specified in this paragraph be considered or held unlawful."

As the whole subject of labor exemption is one in which the American Bar Association would have no interest from a business point of view, the opinion of this Special Committee on the proposed legislation should be considered carefully. We quote from their report comments upon this provision.

"The radical objection to this provision is that it is class legislation. It gives to trade unions exemption from restraint to which other organizations are subject. It permits a trade union to violate its contracts with the employer to his irreparable injury, and forbids the court to restrain by injunction the methods which the members of such unions often employ to enforce their demands." * * *

"In theory, the injunction is the defense of the weak against the strong. Conditions of society are such that some men have power far greater than others. This power may come from their greater wealth. It may come from their organization and discipline. But from whatever source it is derived, the fact of the power remains. Without the right of injunction it would be perfectly possible for such persons to commit wrongs against their fellow citizens and then, having attained the object they desire, sit down and calmly await the result of an action for damage." * * *

"The statement is often made that injunctions are granted in labor cases which would not be granted in other cases. Your committee is of opinion that this proposition cannot be sustained. A careful review of the reported decisions of the Federal Courts will show that comparatively few injunctions have been granted in labor cases. * * * There are only 26. During the same period decisions in 704 other injunction cases are reported in the courts of the United States."

When the report of the Committee was made to the American Bar Association on September 2, 1913, it was adopted and furthermore, resolutions

the American Principle of Equality Before the Law

A resolution of the American Bar Association authorizing action, the carefully defined views of the late Mr. Justice Brewer, and a Brief relative to the whole case in point, will serve to guide readers in deciding.

were passed by the Bar Association, one paragraph of which reads as follows:

"*Resolved*, That the said committee be also instructed to continue the examination of the other subjects dealt with in the report and that in case the bill in reference to injunctions in labor disputes, referred to in the report, should again be introduced, said committee have power to appear before the appropriate committees of Congress and urge that the same be either rejected or amended so as to apply to controversies in labor cases the same rules that are applied in all other cases of injunction."

In explaining the part of the report which referred to injunctions in labor disputes, Hon. Everett P. Wheeler of the Committee said:

"The rule laid down by the English Chancellor, perhaps 80 years ago, was that the Court of Chancery had no power to compel specific performance of an agreement to do labor, work—anything that involved personal service. The question came up in the case of an opera singer who refused to sing, and an effort was made to compel her to sing. The rule of practice in England has been that there could be no specific performance in such a case. All we ask is to leave the law as it now stands, and that the committee be authorized to oppose legislation which would create any distinction between controversies affecting other citizens and controversies arising between capitalists and labor unions."

Mr. Justice Brewer's Views

Mr. Justice Brewer in an address delivered in Brooklyn, N. Y., November 23, 1909, said:—

"Government by injunction has been an object of easy denunciation. So far from restricting its power, there never was a time when its restricted and vigorous exercise was worth more to the nation and for the best interests of all. As population becomes more dense, as business interests multiply and crowd each other, the restraining power of a court of equity is of far greater importance than a punishing power of a criminal law. The best scientific thought of the day is along the lines of prevention rather than those of cure. We aim to stay the spread of epidemics rather than to permit them to run their course and attend solely to the work of curing the sick. And shall it be said of the law, which claims to be the perfection of reason and to express the highest thought of the day, that it no longer aims to prevent the wrong but limits its action to the matter of punishment?

"To take away the equitable power of restraining wrong is a step backward toward barbarism rather than a step forward toward a higher civilization. * * * Courts make mistakes in granting injunctions. So they do in other orders and decrees. Shall the judicial power be taken away because of their occasional mistakes? The argument would lead to the total abolition of the judicial function."

Doubt in Congress

In order to indicate that in Congress itself the two sections of the Clayton bill led to exactly opposite conclusions as to their effects, there appear elsewhere on these pages direct quotations from the Congressional Record of June 1 and 2.

The discussions were indeterminate in the extreme and show that each was able to interpret the proposed law as suited his views, or was convinced that as written the whole subject would be thrown into the courts for determination.

Certain of these quotations show that before the amendments came before Congress they were worked out with the representatives of organized labor to have them worded in a manner that would exactly suit these who would place special privilege on the statute books of the nation.

Brief

Prepared to show the relation of the three features of discrimination, the views of the President, the attitude of the National Chamber, and the principles involved.

Sherman Act:—The Sherman Act, which is one of the antitrust laws, provides that "every * * * combination * * * or conspiracy in restraint of trade * * * is hereby declared to be illegal," adding criminal punishments, a procedure by which the Attorney General may use injunctions and penalties in the form of treble damages for persons who have suffered injury.

Appropriation for Enforcement:—For the enforcement of antitrust laws an appropriation is made yearly in the Sundry Civil Appropriation bill. To the appropriation in the bill approved on June 23, 1913, there was added a limitation that no part of the money could be used for prosecuting violations of the antitrust laws by organizations or individuals seeking increased wages, shorter hours of labor, better conditions of labor, or "fair and reasonable" prices for farm products.

Attitude of Chamber:—On June 16, 1913, the result of the referendum of the Chamber on this limitation was transmitted to the President as unequivocally fixing the attitude of the Chamber against such an exemption, and a request was made that the President should not approve the bill. On June 23, however, the President approved the bill, at the same time issuing a statement which reads:

"I have signed this bill because I can do so without in fact limiting the opportunity or the power of the Department of Justice to prosecute violations of the law by whomsoever committed.

"If I could have separated from the rest of the bill the item which authorized the expenditure by the Department of Justice of a special sum of $300,000 for the prosecution of violations of the antitrust law, I would have vetoed that item, because it places upon the expenditure a limitation which is, in my opinion, unjustifiable in character and principle. But I could not separate it. I do not understand that the limitation was intended as either an amendment or interpretation of the antitrust law, but merely as an expression of the opinion of Congress,—a very emphatic opinion, backed by an overwhelming majority of the House of Representatives and a large majority of the Senate, but not intended to touch anything but the expenditure of a single small additional fund.

"I can assure the country that this item will neither limit nor in any way embarrass the actions of the Department of Justice. Other appropriations supply the department with abundant funds to enforce the law. The law will be interpreted, in the determination of what the department should do, by independent, and I hope impartial, judgments as to the true and just meaning of substantive statutes of the United States."

Resolution:—At the Second Annual Meeting of the Chamber, held in February, 1914, a resolution was adopted reaffirming the principle of the referendum against discriminatory treatment of any class. This resolution is as follows:

"Whereas, There has been enacted and proposed at different times legislation designed to exempt from the action of the law certain classes of our citizens, while leaving it operative against other classes, and

Whereas, The fundamental principles of democracy are repugnant to special privilege,

Therefore, be it Resolved, That this Convention reaffirms the principle set down by an overwhelming majority of the constituent members of this Chamber in Referendum Number Three that any such proposal to have Congress exempt from prosecution any class of possible offenders under any law is a violation of fundamental principles."

Clayton Bill—Section 7

The Clayton bill (H. R. 15657) which passed the House of Representatives on June 5 and is now before the Senate Committee on the Judiciary was amended in the House so as to contain in section seven the following language:

Amendment to Clayton Bill:—"Such organizations (i. e. fraternal, labor, consumers', agricultural, or horticultural organizations) orders, or associations, or the members thereof, shall not be construed or held to be illegal combinations or conspiracies in restraint of trade under the antitrust laws."

President's View:—In commenting upon this amendment the President has said that it merely makes clear the right of labor and agricultural organizations to exist, that it confers no new rights, and that it does not permit labor and agricultural organizations to do without prosecution under the Sherman law acts for which an organization of a different sort would be prosecuted. The President has also said he does not consider his acceptance of the amendment as at all inconsistent with the statement he issued on June 23, 1913 (quoted above) when he approved the Sundry Civil Appropriation bill then pending. In many quarters the President's point of view concerning the effect of the amendment is accepted.

Points Contra:—On the other hand, it has been asserted that if the amendment is compared with the language of the Sherman Act (quoted above) it becomes apparent that the Sherman Act will be repealed in so far as it applies to labor and agricultural organizations and that for these organizations and their members the criminal penalties of the Sherman Act would be removed, the Attorney General could not bring proceedings for injunction, and treble damages at suit of private persons who may have suffered injury would become impossible.

Rules of Statutory Construction:—It is further urged that certain rules used by the courts in construing statutes have a bearing upon the effect of the amendment,—for example, that the Federal courts will assume that Congress, if it passed the Clayton bill as it stands, did not do a vain thing and that affirmative results should be given to the provision. The Supreme Court has declared that it must give effect, if possible, to every clause and word of a statute. These well-settled rules of statutory construction are said to leave no room in the present instance for application of another rule to the effect that since in our form of government the judicial and the legislative departments have separate functions a declaration by Congress of its interpretation of one of its own enactments does not control the courts. Even if this latter rule has applicability, it is declared the courts even while asserting that they are not bound by a legislative interpretation of an enactment look to the interpretation for evidence of the legislature's original intention in passing the law. According to this point of view, the courts will in all probability hold that the present amendment, if passed, is not interpretative in nature but is an enactment of substantive law.

Members of Organizations:—Another point has been made, that by undertaking to prevent any of the members of such organizations as are in question from being held to be engaged in an illegal combination or conspiracy in restraint of trade under the Sherman Act the amendment goes farther than can be asked by persons who favor exemption from the Sherman Act of labor and agricultural organizations and their members while seeking the ends of the organizations; for the language used is so broad as to absolve members of these organizations from any possibility of incurring the penalties of the Sherman Act under any circumstances, and thus to give to membership in an organization a result wholly unrelated to the purposes and activities of the organization.

Clayton Bill—Injunction
Section 18

General Equity Jurisdiction:—Section 7 of the Clayton bill even with the amendment would leave unimpaired the general equity jurisdiction of Federal courts, which exists quite apart from the Sherman Act. It has been pointed out, however, that section 18 of the Clayton bill in all cases involving employers and employees (i. e., in cases determined by the character of the parties and not by the nature of the wrong involved) limits the Federal courts in their jurisdiction to prevent picketing, to prevent the use of persuasion directed against employees who may not wish to listen, to prevent the attendance of numbers of persons congregated about the residence of a workman who does not care to be persuaded to leave his employment, to prevent the use of the boycott or of the secondary boycott, etc. Thus, it is maintained, very considerable restrictions are placed upon the equitable jurisdiction of the Federal courts, especially since the section is so worded as to make it doubtful whether or not the courts would have power to issue injunctions to prevent active intimidation. Even if acts of the kind enumerated above were done with a direct purpose of bringing injury upon any person involved in a dispute between employers and employees, the Federal courts could not grant him the writ of injunction for the protection of his person or of his property. Finally, the section declares that none of the acts in question shall be held unlawful, thus perhaps making impossible even suits at law for damages.

Inappropriateness in Trust Legislation:—Provisions regarding injunctions unrelated to questions of trusts have no place in a bill which purports to supplement existing laws against unlawful restraints and monopolies.

Quotations from Congressional Record Showing

This and the following page are taken up with direct but separate quotations from the Congressional Record of June 1 and 2, when Sections 7 and 18 of the Clayton bill were under discussion. The purpose of these quotations is to indicate that the lawmakers themselves were in doubt as to the significance of the legislation they were enacting and for which they voted. The indeterminate discussion between Representatives Murdock, Webb and others, evidences uncertainty. The statements of Mr. Henry of Texas show that the American Federation of Labor prepared amendments and approved changes in the measures in advance of submission to Congress.

Section 7 Discussed

Convinced of Value

Mr Webb. * * * Therefore we say that we have embodied in this section as set forth in the first part of section 7, and as expressed in the latter part of this amendment which I now offer what is generally understood to be the law and should be the law in the United States with reference to labor organizations, as well as fraternal and farmers' organizations.

* * * * * *

Courts Must Decide.

Mr. Murdock. What does it mean? Some of the friends of labor say that that amendment does exempt organized labor from the provisions of the Sherman antitrust law, but its enemies say that it does not exempt organized labor. Who knows? No man on the floor of this House. Who will determine? The courts.

Now, the tragedy of this transaction, my friends, is this: That after labor went to the courts and after the courts had sent it back to Congress, Congress sends labor back to the courts again. Eight or ten or twelve years hence the courts will decide what the amendment which we are about to adopt means.

* * * * * *

The Bartlett Bill

Mr. Bartlett. * * * The principle of my bill is now incorporated into this bill reported by the Committee on the Judiciary and as contained in the amendment offered by the gentleman from North Carolina (Mr. Webb).

I congratulate the Committee on the Judiciary; I congratulate the country that the hour is now at hand when the shackles placed by a misconstruction of the Sherman antitrust law upon labor and like organizations shall be stricken from them, and when they shall stand before the country free to exercise their right to perform and do those acts as organizations that they are entitled to do and those things which no one should ever construe they were forbidden to do by the Sherman antitrust law. * * *

It is true that in the Danbury Hat case, in Two hundred and eighth United States, the Supreme Court decided that the action of the labor union involved in that case was a violation of the Sherman antitrust law. It is also true that no longer ago than Friday last another circuit court of appeals of the United States decided in a like case that such action of a labor organization was not in violation of the Sherman antitrust law. Therefore, to make the thing clear, in order to do that which Congress has the right to do, to make the statute so clear that "he that runs may read," to make the way so plain that " the wayfaring man, though a fool, can not err therein," we propose to put the proposition in this bill in compliance with the universal demand of the labor organizations, in compliance with the Democratic platforms in 1908 and 1912, and, above all, in compliance with the demands of right and justice and civilization.

* * * * * *

Language Evasive

Mr. Thomas. * * * To make the statement that this law shall not be construed so as to hold certain organizations to be illegal is simply to state that those organizations per se shall not be declared illegal by this law. You might insert a paragraph declaring that under this law the Baptist Church or the Masonic Order should not be construed to be an illegal combination in restraint of trade. They are not illegal, even, in the absence of that declaration. * * *

"So I say, gentlemen, that if you are going to take them out of the provisions of these laws, take them out. If you are going to keep them in, why, keep them in, and do not go to beating the devil around the bush about it. Come out plainly and let us keep them in or take them out, one of the two."

* * * * * *

Laws Still Operative

Mr. MacDonald. * * * I am not given to self-deception, and in voting for that amendment I am not deceiving myself as to the effect of that amendment. That amendment may have some beneficial effect for the organizations mentioned therein, but it will not exempt those organizations from the operation of the antitrust laws. Now, the Supreme Court in the case of Loewe against Lawlor, commonly known as the Danbury Hat case, put this matter up to Congress in no uncertain terms. They say, on page 279 of volume 208 of the United States Reports:

> After the Sherman law was enacted bills were introduced in the Fifty-second Congress—

And then they enumerate all the bills that have been introduced to amend the Sherman antitrust law, making it inapplicable to labor and these other organizations. And then they say:

> Congress therefore has refused to exempt labor unions from the comprehensive provisions of the Sherman law against combinations in restraint of trade, and this refusal is the more significant, as it followed the recognition by the courts that the Sherman antitrust law applied to labor organizations.

* * * * * *

Expects Difficulties in Senate

Mr. Johnson of Wash. * * * This section 7 of this antitrust bill is a case in point. Not so long ago it was discovered that the Sherman antitrust law does what its framers did not intend it to do—that is, it catches by the throat and would throttle organized labor.

Thereupon organized labor must solve another problem. This section 7 of this new antitrust bill was written. Labor accepted the section. Then the discovery was made that section 7 would not serve the purpose—that it is like the hollow log lying under the wire fence through which the pig undertook to go from one field to another. The pig went through the hollow log all right, but the log was curved, and the pig landed right back in the same field. That is your section 7. Labor figured it out, and asked for the amendment, which is now offered by Chairman Webb, and which I support. My regret is that section 7 and the amendment are made a part of an antitrust bill which I fear can not stand up when it comes under the close criticism of another lawmaking body.

* * * * * *

Wording Unfortunate

Mr. Lenroot. * * * By this language it is attempted to construe all of the antitrust laws. Now, it is entirely clear to every lawyer that it is the province of the legislature to make the law and it is a judicial function to construe it. This Congress has no power to say to the court how it shall construe a law heretofore made; and the effect of all of it is, if the courts specifically uphold it, as I believe they will, they will entirely throw out of consideration the words "shall be construed" and say that it was the intention of Congress to change the law, as unquestionably it is. Now, this language has been criticized time after time by the courts. For instance, in a case in the Supreme Court of the United States, speaking of identical language, it said:

> But for the unfortunate and unnecessary use of the word "construed" in this sentence we apprehend that none of the resistance to this class of taxes now under consideration would have been thought of.

And all the way through the cases the courts have struggled to uphold the acts of Congress and legislatures, but only by saying that, while the legislature used the words "shall be construed," the real purpose was not to construe the law but to change it.

* * * * * *

Individual Exemption

Mr. Hulings. * * * A railroad, a trust organization, if it commits illegal acts, may be dissolved by the courts; the whole institution may be dissolved. The purpose of the laboring man, as I understand it here, is that if he commits illegal acts, the court may go after the individual members responsible for the illegal acts; but the labor organization of which the lawbreakers may be members itself can not be dissolved. But the section under consideration does not do this at all, and I fear it does not give labor and farm organizations any real exemption.

* * * * * *

Completely Satisfactory

Mr. Hensley. * * * It is written in this amendment just as the people most affected by it asked that it be written. So that, Mr. Chairman, today by this piece of legislation we are crowning the efforts of the laboring people, covering many years, with the success that is only their just deserts; and I rejoice in this triumph, because it is not only for the good of these organizations mentioned in the amendment, but for the common good of all mankind.

* * * * * *

Protection of Labor

Mr. Hamlin * * * Labor seeks only to protect the selling price of one article, to wit, his brawn and muscle. This amendment protects the labor organizations, farmers' organizations, and fraternal organizations from the operation of the Sherman antitrust law, and in that the Democratic party fulfills another pledge made in its platform.

* * * * * *

Meaning Not Clear

Mr. Volstead. * * * I desire to call attention to a peculiar situation. This morning I read in one of the newspapers that labor claims for this proposed amendment one meaning while the administration claims an entirely different meaning. It seems to me that we ought to write the amendment so that it will not be open to dispute as to its meaning. If this amendment is intended to legalize the secondary boycott, this House ought to know it. If it is intended, as I believe it is claimed by those who present it on this floor, simply to legalize the existence of these organizations, I do not believe there is any one here who would be opposed to it. It is very unfortunate that an amendment should be proposed to this bill which must of necessity go into the courts after it becomes a law before anybody will know definitely just what it means. It looks as though it has been drawn to deceive somebody. It is perfectly plain that if those who drew it intended to write a clear exemption of labor into this statute, they could easily have found the language.

It is unfortunate, and it seems to me that before we close the discussion on this paragraph, some proposition ought to be submitted that no one can dispute. We ought to know what we are voting for.

* * * * * *

Defines Right of Organization.

Mr. Green. * * * Under the Sherman Law as it now stands the labor organization is perfectly legal and a peaceable strike or peaceable picketing is perfectly legal under the decisions of a majority of the courts. * * *

Yet there is, as I think, some necessity for this provision, for the reason that there have been isolated decisions by the lower Federal courts holding that the mere organization of a body of laborers for the purpose of maintaining or raising wages is contrary to law.

Section 18 Discussed

Legalizing Strikes

Mr. Webb. I will say frankly to my friend when this section was drawn it was drawn with the careful purpose

Lawmakers' Extreme Differences of Opinion

not to legalize the secondary boycott, and we do not think it does. There may be a difference of opinion about it, but it is the opinion of the committee that it does not legalize the secondary boycott and is not intended to do so. It does legalize the primary boycott; it does legalize the strike; it does legalize persuading others to strike, to quit work, and the other acts mentioned in section 18, but we did not intend, I will say frankly, to legalize the secondary boycott.

* * * * * *

THREATENING ASSEMBLAGE JUSTIFIED

MR. MOORE. Will the gentleman yield?

MR. VOLSTEAD. Yes.

MR. MOORE. The gentleman has been dealing with the secondary boycott in which property rights may be invaded, and where the injured party may not be concerned in the dispute between capital and labor. Will the gentleman explain what is meant by this language, on page 36, line 10:

> And no such restraining order or injunction—
>
> And so forth—
>
> shall prohibit any person or persons from attending at or near a house or place where any person resides or works or carries on business or happens to be—
>
> And so forth.

Does that mean any person or persons, organized or unorganized, may assemble in or at the house of a workingman?

MR. VOLSTEAD. Yes; and in as large numbers as they choose.

MR. MOORE. And interfere with his peace and right of employment. Is not that an invasion of personal liberty, to say nothing of the invasion of the rights of property? Does not this tend to restrict the liberty and labor of the person owning or occupying that house?

MR VOLSTEAD. I think it does. Mr. Chairman, I ask the other side to consume some of its time.

MR. MOORE. I understood the gentleman to say that it does restrict personal liberty?

MR. VOLSTEAD. Yes; it may. The fear inspired by large numbers may and often is as effective as the actual force, though no actual force is used.

* * * * * *

FAIR DEALING DESIRED

MR. MOORE. I believe the gentleman to be the friend of labor, as I believe all of us want to be, but I think most men in a great House like this, a deliberative assembly of the people's representatives, ought to be fair to all labor. We ought to deal with all of the workers of the land without specializing a few. It is a question whether under the badge of organization we are bound to pass laws here covering 30,000,000 wage earners in this country, most of whom are unorganized and not represented here at all. I question whether the hundred millions of people of this country do not look to this Congress to deal fairly with every man who has a right to protection under the Constitution of the United States. * * *

I should feel myself despicable indeed if I stood here as a representative of the people and voted to exempt Mr. Samuel Gompers or Mr. Frank Morrison or others up there in the gallery from the operation of the criminal laws of this country and made a special class of them or any hundred of them. I would not exempt John D. Rockefeller from the operation of the criminal laws of this country, nor would I exempt Andrew Carnegie from the operation of those laws; but before and within the law I would hold each man responsible for his own acts, the man who employed and the man who was employed alike. I would not make fish of one and fowl of the other. And if it be a crime in the presence of the labor representatives who have been in the galleries dictating this legislation for the last 10 days to make this declaration in favor of the rights of the workingmen of this country regardless of union or nonunion, then I stand convicted before them; but before the people and before my conscience I am grateful for the opportunity to say that I would not vote for special legislation exempting crime.

SEES AMERICAN MAGNA CHARTA

MR. QUIN. I am happy to vote to force the courts to grant the jury in contempt cases, and I will be still happier in voting to bar life appointments of judges. The people of this country can never rule in reality as long as the judges hold for life. The laws we are passing this week constitute a real bill of rights, a veritable Magna Charta in which the American citizenship can see hope for the future.

* * * * * *

IMPROPER ACTS LEGALIZED

MR. THOMSON. I do not believe that the acts of combinations of labor should be regarded by the law precisely as the acts of combinations of capital are. * * *

The Webb amendment does not distinguish between these two classes of activities which such organizations indulge in, but with one stroke exempts such organizations from the law entirely, thus making it possible for them to engage not only in proper acts, but improper ones. For instance, under this amendment a labor organization could not only engage in a strike, entirely justified under conditions existing which might operate to restrain interstate commerce, but it could establish a boycott or a secondary boycott.

Indeterminate Discussions

MR. MURDOCK. Did the Committee on the Judiciary intend the Webb amendment to exempt organized labor from the provisions of the Sherman antitrust law?

MR. WEBB. It certainly does exempt their existence and operation if organized for mutual help and without profit.

MR. MURDOCK. Does it say anything—

MR. WEBB. We wanted to make it plain that no labor organization or farmers' organization organized for mutual help without profit should be construed to be a combination in restraint of trade or a conspiracy under the antitrust laws. Now, I will say frankly to my friend that we never intended to make any organizations, regardless of what they might do, exempt in every respect from the law. I would not vote for any amendment that does do that.

MR. MURDOCK. If the labor organization goes beyond the province of mutual help, then is it subject to the Sherman antitrust laws?

MR. WEBB. If it violates the law, it is. Of course it is an organization subject to the law, and I ask if my friend from Kansas would vote to exempt it from all laws?

MR. MURDOCK. I would vote to exempt it from being confined under the antitrust laws to mere inactive existence.

MR. WEBB. But the gentleman would not vote to exempt it and nobody else from all laws?

MR. MURDOCK. I understand that, but I would give strikers the right to peaceful assemblage.

MR. WEBB. We give them that right in this bill.

MR. MURDOCK. I doubt it very much.

MR. CARLIN. The gentleman can not doubt it if he will read section 18.

MR. MURDOCK. Section 18 of this bill confines its jurisdiction to employers and employees. Strikers are not employees. The relation of employer and employee ceases when employees strike.

MR. WEBB. I do not know how my friend—

MR. MURDOCK. That is the way I read section 18.

MR. WEBB. The gentleman should read it like the lawyers of the labor unions of the country read it, and I believe they understand it. We expressly provide in section 18 that labor organizations can strike, that they can persuade others to strike, that they can pay strike benefits, that they can have peaceful assemblages, and a great many other things. That is their bill of rights and they are satisfied with it, and what is it that dissatisfies my friend from Kansas if the labor people of this country, if the farmers of the country, and the capitalists of the country are satisfied with it?

MR. MURDOCK. I will tell the gentleman why I am not satisfied. The gentleman from North Carolina and the Judiciary Committee have left out the same words, "shall not apply to," which have been carried in all amendments for the last 24 years and put into the amendment language that must be construed by the courts and construed how heaven only knows and the gentleman from North Carolina does not know.

MR. WEBB. That is what was said about "restraint of trade," "reasonable doubt," and a thousand expressions you can not exactly define, but you have got to leave something to the courts. This is what labor wants, and I think my friend from Kansas ought to be satisfied.

Influences of Organized Labor

SUBMITTED TO A. F. L.

MR. HENRY. * * * On that evening we formulated this amendment exactly as it has been tendered, and on Sunday morning submitted it to the American Federation of Labor, because we did not want any misunderstanding about this question. We believed that we ought to make history clear; that there ought not hereafter to be any cloudy or foggy history as there was after the Sherman antitrust law was passed. So in connection with the amendment, which was agreed to as a part of section 7, this amendment was agreed to, and we asked the officers of the American Federation of Labor to submit this amendment to their counsel in order that we might clearly understand it and cooperate with them. * * *

But this amendment is satisfactory to the American Federation of Labor; it is satisfactory to the President of the United States; and was and is satisfactory to the chairman of the Committee on the Judiciary and the members thereof with whom I have talked.

* * * * * *

PREPARED BY A. F. L.

MR. MANN. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. Does the gentleman from Texas yield to the gentleman from Illinois?

MR. HENRY. I will.

MR. MANN. The gentleman has stated that conferences with certain Members of the House agreed upon this amendment and submitted it to the officers of the American Federation of Labor.

MR. HENRY. Yes.

MR. MANN. Is it not a fact that the officers of the American Federation of Labor submitted practically this amendment to the gentleman and other gentlemen of the House before this conference met at all?

MR. HENRY. Yes; that is true substantially.

MR. MANN. So that this amendment did not originate, as the gentleman would have us believe—I will not say "as the gentleman would have us believe"—but as we might believe from the gentleman's statement as to this little conference, but this amendment originated with the officers of the American Federation of Labor?

MR. HENRY. I think those gentlemen desired this kind of an amendment. And we did agree on certain language in two amendments.

MR. MANN. This is the amendment which the American Federation of Labor submitted to the gentleman, is it not?

MR. HENRY. Yes.

MR. MANN. I read:

> Nor shall any of the acts specified in this paragraph be considered or held unlawful.

By the courts of the United States?

MR. HENRY. Yes; substantially. The amendment was submitted to us, and we agreed that it was correct, and that we must organize to make a fight for it, because the affable gentleman from Illinois had said, when the rule was debated, that he proposed to vote so as to make all the mischief possible for the Democratic Party, and we did not want to be taken unawares. So we were organizing to put this amendment through.

MR. MANN. But the amendment did not originate with the gentleman.

MR HENRY. Oh, well, I have no pride of personal authorship. All I say is that I stand with these men for their amendment, and they ought to be exempted from the provisions of the antitrust laws, and this right ought to be written into all these statutes.

This amendment was submitted, considered, and agreed to in the conference held in the Committee on Rules, and the gentlemen there assembled obligated themselves to support and press it.

Foreign Trade

THE National Foreign Trade Convention which was held in Washington May 27 and 28 was a success in the attendance of men of influence and in the character and scope of the papers submitted. Reassurances were given by Secretary Bryan and Secretary Redfield relative to the interest which the government took in any directions where government activity could be of service in promoting foreign trade.

The plan of the program was admirable. The first session dealt in a general way with commercial conditions and the future of foreign trade; then by a series of printed papers the places of the different sections of the United States in foreign trade were made clear. These papers covered: (1) the New England states; (2) Central states; (3) the Southern states; (4) the Gulf states. The Western states were covered by a paper from Captain Robert Dollar of California, entitled: "Suggestions How to Obtain Foreign Trade."

The second session dealt with "The Railroads and Export Trade," and "Ocean Transportation." The influence of the Sherman law on foreign trade was also made part of this session. The relation of foreign loans to foreign trade was made the subject of a paper.

The third session defined the influence of the Federal Reserve law on foreign trade; also the relation of the tariff to foreign trade; then came a world-wide survey of trade possibilities as follows: (1) the Panama Canal and Latin American Trade Possibilities; (2) Our Dependencies; (3) South and Central America; (4) The Orient, China and Japan; (5) Trade with Australasia.

The fourth session dealt specially with government assistance and was divided: (1) Government Assistance in Foreign Trade; (2) Diplomatic and Consular Service; (3) Department of Commerce; (4) The Balance of Trade.

Copies of any of these speeches can be obtained from E. V. Douglass, Secretary of the Convention, 66 Broadway, New York City. The Committee on Resolutions of the National Foreign Trade Convention included the following:

CHARLES A. SCHIEREN, JR., Chairman,
JAMES A. ARNOLD,
E. A. S. CLARKE,
CAPTAIN ROBERT DOLLAR
P. A. S. FRANKLIN,
PROF. JOHN PAUL GOODE (Representing JOHN J. ARNOLD),
EDWARD N. HURLEY,
CHARLES M. MUCHNIC,
EUGENE P. THOMAS.

The Resolutions authorized Alba B. Johnson of Philadelphia, President of the Convention, to appoint a council, nationally representative in character, to be composed of thirty members and to be known as the National Foreign Trade Council.

A further resolution read:

"That the Chairman of such Council request the Chamber of Commerce of the United States of America to appoint a Committee which shall meet with the National Foreign Trade Council, or a sub-committee appointed thereby, to formulate a plan by which the Foreign Trade Council may collaborate with the Chamber of Commerce of the United States of America."

Resolutions were adopted praising the work which the Secretary of Commerce has undertaken in broadening the scope of the Bureau of Foreign and Domestic Commerce and recommending to Congress liberal appropriations for the general promotion of the export trade of the United States. Resolutions were passed favoring cooperation for the development of foreign trade, the extension of commercial treaties, improved methods of taking the census of manufacturers, an efficient Diplomatic and Consular Service, and the upbuilding of an American merchant marine for foreign trade.

New Granite Paving

A TYPE of stone block paving, suitable for streets or highways, made up of small granite cubes, of varying dimensions, from 2¾ to 3½ inches, is quite common in European countries, particularly in and about Paris, London, Liverpool, Birmingham and Berlin and vicinity.

In England, the pavement is called "Durax" and in Germany "Kleinpflaster."

It is not a patented pavement, but can be laid successfully in any locality where a strong, tough granite, with good lines of cleavage, is available. Because of the smallness of the cube, it is necessary that there be used a granite of high compressive strength.

The advantages claimed for Durax are:

(1). That it has all the wearing qualities of an ordinary granite block pavement, with nearly as long life.

(2). That it affords an elastic, waterproof surface, as resilient to all kinds of traffic as ordinary tar macadam.

(3). That it affords an excellent foothold on account of the smallness of the block, and does not become slippery or greasy in wet weather.

(4). That owing to the characteristic and peculiar manner of its laying down (i. e., in radial curves or in straight lines at an oblique angle to the line of traffic), no joints lie with the line of moving traffic to form ruts, nor at right angles with the line of moving traffic to cause objectionable rattle and hammer of the ordinary granite block, whilst horses get a foothold on several cubes at once, so that the chipping of the arris or edge of the stone is eliminated.

(5). That wheeled traffic passes more smoothly and evenly over the surface.

Problems in Retailing

AT the Annual Meeting of the National Retail Hardware Association in Minneapolis, May 19 to 22, the question of appropriating $10,000 as a subsidy for the School of Business Administration of Harvard University met with encouragement and was referred to the incoming Executive Committee with power to proceed. The purpose of this $10,000 appropriation would be to permit the School of Business Administration of Harvard to make research over a period of several years relative to the problems of retailing hardware. This would render available for hardware merchants the same sort of research relative to methods that has been rendered available by the Harvard School to the retail shoe business.

RETAILING DRY GOODS

In recent correspondence, appearing in the New York Times, relative to the cost of selling goods, it was stated that the overhead expense of a store averages 23.84 per cent of the sale. Messrs. Ernst and Ernst, accountants for the National Retail Drygoods Association, stated that the average percentages to sales for the expenses of the departments of bookkeeping, credit and delivery in the leading cities are: bookkeeping and auditing ¾ to 1½ per cent; credit ¼ to 1 per cent and delivery 1 to 2 per cent.

Relative to the specific items which enter into delivery cost, the accountants hold that all expense items having to do with the operation and maintenance of teams, automobiles, motor cycles, carts, etc., carfares for special delivery, parcel post charges, and all salaries in connection with the service should be included, as well as depreciation of the equipment, which should be liberal. Many incidental expenses must be considered in this connection, such as cost of licenses, all kinds of insurance, claims, supplies, etc. In other words, there should be included in ascertaining the cost of the delivery service all items of whatever character which directly apply to this department of the business.

RESALE PRICES:—The movement for the maintenance of resale prices and the protection of advertised and trade-marked barnds of goods from price cutting is the basis for the Makers National Magazine of Chicago, the first number of which appear this month.

Easter's Date

THE subject of a fixed date for Easter which was one of the leading subjects taken up by the International Congress of Chambers of Commerce on June 8th in Paris, has many earnest advocates. The International Association of Academies, with the exception of the Academy of Amsterdam, is for such a change in the calendar. At a meeting of Chambers of Commerce in Germany it was declared that the commerce of that country lost a million marks when Easter fell in March. The variableness of Easter is also stated to affect unfavorably school years and the division of studies.

The perpetual and invariable calendar proposed by the International Association of Academies would give thirty days to January, February, April, May, July, August, October and November, and thirty-one days to March, June, September, and December. The first day of January, April, July and October would always come on Monday. The first day of February, May, August and September would always come on Wednesday and the first day of March, June, September and December would always come on Friday. By this calendar, all the quarters and both the halves of the year would be uniform. Each month would have an equal number of working days; the first, fifteenth or thirtieth of the month would never fall on Sunday; while the thirty-first, which would close each group of three months, would always fall on Sunday. To make the arrangement clear, the calendar is printed below.

PROPOSED REFORM CALENDAR.

1st trimester....	January	February	March
2d trimester....	April	May	June
3d trimester....	July	August	September
4th trimester....	October	November	December

Mon.	1 8 15 22 29	6 13 20 27	4 11 18 25
Tues.	2 9 16 23 30	7 14 21 28	5 12 19 26
Wed.	3 10 17 24	1 8 15 22 29	6 13 20 27
Thurs.	4 11 18 25	2 9 16 23 30	7 14 21 28
Fri.	5 12 19 26	3 10 17 24	1 8 15 22 29
Sat.	6 13 20 27	4 11 18 25	2 9 16 23 30
Sun.	7 14 21 28	5 12 19 26	3 10 17 24 31

It will be observed that the above calendar provides for 364 days. The proposed reform would provide a blank day for New Year's Day each year and an additional blank day between June and July on each leap year.

Food Regulations

READERS of THE NATION'S BUSINESS will recall that in the issue for August, 1913, Dr. Carl L. Alsberg set forth in detail unsatisfactory conditions existing in relation to food and drugs and their inspection and supervision.

In keeping with his general statements, the legend "Guaranteed Under the Food and Drugs Act" is held to be misleading and deceptive, and the use of a serial number on food and drugs is prohibited after May 1, 1915, by a Food Inspection Decision signed May 5th by the Secretaries of the Treasury, Agriculture and Commerce. The taking effect of the new regulation is postponed until May 1, 1915, in order to give manufacturers an opportunity to use up their present stocks of labels.

After May 1, 1915, guaranties of compliance with the law should be given by manufacturers directly to dealers, and should be incorporated in the invoice or bill of sale specifying the goods covered. This guaranty should not appear on the label or package of the product.

Corporation Schools

SO many corporation schools have gradually been brought into existence over the nation by the recognized need of training help for expert service, that there is now in existence the National Association of Corporation Schools, with headquarters in New York City. The first annual meeting of the National Association was held in Dayton, Ohio, from September 16 to 19, last year. The second annual meeting will be held next month in Philadelphia. The Association has now commenced the regular issuance of a Bulletin which is used as a means for interchange of information between the men who are occupied with the practical problems of school instruction in the various trades represented.

Municipal Ice Plant

An exhaustive report has been made to Hon. George McAneny, President of the Borough of Manhattan, by Jeanie Wells Wentworth on Municipal and Government Ice Plants in the United States and other countries. This report contains many figures and reports of marked importance. The report is divided into chapters dealing with (1) Municipal operation; (2) United States government ice plants; (3) Municipal ice plants in foreign countries; (4) Agitation for municipal ice plants in the United States; (5) New York State and City.

"Conquest of Tropics"

Doubleday, Page and Company have issued "Conquest of the Tropics" by Frederick Upham Adams (net $2.00) This volume which deals with the development of the United Fruit Company, is the first of a series planned to describe certain big businesses whose histories and operations concern and should interest the public. It is planned as an open and above-board presentation of the opinions of large business enterprises.

"Commercial" Education

The McMillan Company has just issued a volume, Farrington's Commercial Education in Germany (price $1.10). The author traces Germany's remarkable commercial growth to the German educational system as a whole. The volume gives a full account of the history and the work of German Industrial and commercial schools. commercial schools. He adds to the value of the volume by suggesting ways whereby the American conditions of education could be aided by adopting certain phases of the German system.

Progress in Standardizing Weights and Measures

The Ninth Annual Conference of State and Federal officials connected with the enforcement of laws regarding weights and measures, opened at the Bureau of Standards in Washington on May 26. The discussions have been more or less referred to in the daily press. The basis of the entire effort towards standardizing weights and measures will be found in the following condensation of an article prepared by Louis A. Fischer, Chief of the Division of Weights and Measures of the Bureau of Standards, which appeared in a recent issue of the *Popular Science Monthly*.

THE founders of our government evidently realized the necessity of uniform standards or they would hardly have provided for it in the Constitution in the same clause that gives Congress the power to coin money and to regulate the value thereof. Under that authority the government coins all money, and enforces the severest penalties for counterfeiting. On the other hand, it has enacted practically no weights and measures legislation, but has left the question entirely to the states.

Even the pound, yard, gallon and bushel in common use have never been adopted by Congress, but owe their use to the fact that the government uses them in the collection of revenue and to the fact that they have been voluntarily adopted by the states.

Shortly after the establishment of the Bureau of Standards, complaints began to be received from individuals who felt that they were not receiving all that they were entitled to, and inquiring what they could do about it. There being no federal laws, the bureau could only advise them to look to their state or local authorities for assistance, although it was well known that none of the states at that time had an adequate system of inspection. * *

In 1902 the writer visited several of the larger cities in the State of New York for the purpose of ascertaining how efficient the inspection service was. The results were discouraging: in most places the inspectors were paid by fees for sealing the apparatus and, consequently, they were only interested in sealing the apparatus for which they could collect fees.

Beginnings of Uniformity

The situation in New York was no worse than in other sections of the country, as we afterwards found out; it was merely typical of the conditions that existed throughout the country at that time. A couple of years later, or in 1904, the bureau conceived the plan of inviting those officers in the states who were by law charged with the custody of the state standards, to meet in Washington to study the weights and measures situation, and to ascertain what steps should be taken to insure some measure of protection to the public. The first meeting took place in January, 1905, and was, it is believed, the first meeting ever held in this country for the purpose of considering this subject. Pennsylvania, Michigan, Kentucky, New Hampshire, Vermont, Massachusetts, Virginia, Iowa—in all eight states— and the District of Columbia sent delegates. The governors of many of the other states showed interest in the matter, but stated that on account of the lack of available funds from which the expenses of the delegates could be defrayed it would be impossible to have their states represented. Nevertheless, the delegates who did attend were greatly interested in the subject and requested the bureau to arrange for similar meetings annually. Many of them did not know that they had any laws to enforce or any standards to take care of until their attention was directed to the state laws on the subject by the bureau.

Model Law Evolved

Meetings have been held every year since, but the number of states represented never exceeded seventeen until 1912, when 25 states and 34 of the most important cities, including the District of Columbia, were represented. What the earlier conferences lacked in numbers, however, they made up in enthusiasm. By conferring with one another, and by discussion, the delegates learned what was needed, and in a large majority of cases they went home and attempted and in many cases succeeded in interesting their states in the subject. To aid in understanding the situation, the bureau compiled all the state and national laws on the subject of weights and measures, and also made a report on the laws and regulations governing this matter in the more important European countries. The third conference, in 1907, adopted what was termed a "Model State Law" based both upon existing state laws and the laws of other countries. This "Model Law" has since been improved and its provisions have to a large extent been incorporated in recent laws enacted by the states. * *

The need of first-hand information on the conditions throughout the country was felt, and an appropriation of $10,000 was asked for and granted by Congress for the year 1908-09, for the purpose of making such an investigation. The same amount was granted for the succeeding year, and every state in the Union was visited. * *

Altogether, 184 cities or towns were inspected, ranging in size from New York with four or five million inhabitants, to Carson City, Nevada, with about 2,200; and it will perhaps be interesting at this point to give some of the results found, which includes to July 12, 1912, when the work was practically completed.

Summary of Apparatus Examined by Inspectors of Weights and Measures, Bureau of Standards:

	Total.	Percentage.
Number of scales tested.....	10,034	
Correct	5,535	55.2
Incorrect	4,499	44.8
Number of weights tested..	12,211	(estimated)
Correct	9,792	80
Incorrect	2,419	20
Number of dry measures tested	5,656	
Correct	2,935	51.89
Incorrect	2,721	48.11
Number of liquid measures tested	2,407	
Correct	1,761	73.16
Incorrect	646	26.84
Number of stores visited....	3,220	
Apparatus of all kinds inspected	30,500	

This shows that nearly 45 per cent. of all the scales tested were three or more per cent. in error, and when the rapidity with which a tradesman sells his wares is considered, even three per cent. is an important consideration; and when it reaches twelve, as it did in a number of cases, the loss to the purchaser is a serious one. * * *

Altogether forty-one states have passed legislation of some sort directly referring to the subject of weights and measures. The statutes in twenty-four of these were general in their nature and authorized or required state-wide local inspection service under the general supervision of a state department of weights and measures; state-wide inspection service under officers of the state without any local inspection service; or local inspection without any supervision by the state. Twenty-eight states have passed legislation requiring the weight or measure to be branded on the outside of some original package goods when sold in the original package or required the package or container to be of certain sizes. Of these sixteen referred to some few specified commodities, while twelve were general in their terms. This record shows the remarkable interest that has developed in the last few years and clearly points out the necessity for federal legislation to take care of interstate transactions. * * *

(After including much interesting data relative to the losses sustained through defective weights, Mr. Fischer thoroughly outlines the legislation that has taken place in the States during the past two or three years. Brief notes are here included relative to each State mentioned as passing legislation):—

Alabama passed legislation relative to feed stuffs. Mr. Fischer says: "This is a good law, and a step in the right direction, but it is very greatly restricted in its operation on account of the small number of commodities specified."

Arizona passed a general weights and measures law during the first session of the legislature after being admitted to the Union. The law is based directly on the model law recommended by the National Conference on Weights and Measures.

In 1911 Arkansas passed legislation somewhat similar to that in Alabama and later enacted a law directing and requiring that the county clerks procure a complete set of standards and seal all weights and measures that may be presented to them for that purpose and which correspond with the county standard.

California held a special election in October, 1911, relative to a weights and measures constitutional amendment. This was carried by an overwhelming majority and at a recent special session of the legislature, a new weights and measures bill was introduced containing all the provisions recommended by the Conference.

Colorado passed four laws on the subject of weights and measures at the 1913 session of its legislature, prior to which this subject had been a dead letter in Colorado for nearly a score of years.

Connecticut passed a law including nearly all the provisions recommended by the Conference and also requiring net contents to be marked on the outside of all original containers of food.

Delaware passed two laws, one requiring that the standard ton of coal shall consist of 2,240 pounds and the other specifying standard measurements in shipping berries, fruits and produce.

Florida amended its Pure Food Law so as to require the net weight of all original packages to be conspicuously, legibly and correctly stated in terms of weight or measure on the outside of the packages.

Idaho passed a law at the last session of its legislature which establishes customary standards and materially enlarges the powers and duties of the State Sealer of Weights and Measures, who by a former Act is the dairy, food and sanitary inspector of the State.

Illinois passed a law which, says Mr. Fischer, "is lacking in scope." Weights per bushel of a large number of commodities were fixed.

Indiana by a recent Act, puts city sealers under the municipal civil service and requires all commodities to be sold by weight, measure or numerical count rather than in the indefinite manner so common heretofore.

Iowa passed a general law which contains some of the recommendations of the National Conference on Weights and Measures.

Kansas, according to Mr. Fischer, "was more or less active in passing weights and measures legislation, but its progress was largely in a backward direction, on account of permitting 'gross' instead of 'net' weight in the sale of flour and meal, and the use of liquid, instead of dry measure for berries."

The Louisiana law passed during the year provides for the inspection of weights and measures in the city of New Orleans only. The law includes several provisions contained in the model law, recommended by the conference.

Maine passed a general and two special laws. The general law adds great strength to the Statutes of 1911.

Maryland completely revised its statutes on the subject of weights and measures, and the new law provides for a complete system of county and city inspection under the salary system, but no state supervision whatever.

Massachusetts made several important additions to the statutes during the past three years. Among them was a net weight act, and laws relating to the cranberry barrel, the sale of fruits and vegetables, and, "the measuring by sworn city or town officials of all leather sold by measure and the testing and sealing or condemning of all machines used in the measuring of leather."

Michigan enacted legislation at the last session which was based directly on the model law.

Minnesota enacted a law which abolishes local sealers and puts the matter of inspection of weights and measures entirely in charge of state officers.

Missouri passed three laws, one relating to weight and quality of bread; another to water, gas and electric meters; and another to grain inspection and weighing.

In 1911, Montana passed a general law containing a large number of provisions of the model law. Fees are abolished. A net contents of container section was added to the law as well as a general net weight provision.

Nebraska passed a weights and measures statute which is a forward step "but not," says Mr. Fischer, "a very satisfactory one. It fails to provide a mandatory inspection of all weights and measures in commercial use."

Nevada up to 1911 had no laws whatever on the subject of weights and

Weights and Measures

(*Continued*)

measures. In that year, a state law was passed providing for a state inspection of apparatus under the supervision of the Director of the Nevada Agricultural Experiment Station.

NEW HAMPSHIRE broadened the scope of the penalty clauses in its law and specified the sizes of berry boxes in keeping with United States standard dry measure.

NEW JERSEY passed a very comprehensive law in 1911, establishing a State department of weights and measures and two years later made an important amendment, standardizing the sizes of baskets used in the sale of dry commodities.

NEW MEXICO passed a law designed to establish a state-wide inspection of weights and measures in commercial use. "Machinery provided for enforcement is very poor."

"NEW YORK continued the good work which it commenced several years ago and added to its excellent code of laws a very strong coal law and a law making the possession or use of any false apparatus presumptive evidence of the knowledge of the user of its falsity."

A law was recently passed requiring that all meat, meat products, and butter should be sold by weight and that other commodities shall be sold by weight, standard measure, or by numerical count. Grape baskets were also standardized.

NORTH DAKOTA took an important step relative to marking of the net weight of lard on pails.

OHIO in 1913 strengthened the law requiring fruits and vegetables to be sold exclusively by numerical count or weight. Dry measures have been standardized as to the diameter and depth to be required. The state sealer has been given the power "to make, publish and enforce such rules and regulations as may be necessary to the prompt and effective enforcement of the weights and measures laws of this state."

OKLAHOMA, during the years 1910-1911 revised the list of legal weights per bushel required in weight makings on sacks of feed stuff and standardized the weight of flour and meal put up in barrels and sacks.

OREGON passed a general and four special laws relating to weights and measures at the 1913 session. The county sealer is required to visit at least once each year every place of business where weights and measures are kept for purposes of trade. It is made unlawful in selling any commodity by weight or measure to include weight or measure of anything other than the weight or measure of the commodity itself.

PENNSYLVANIA passed a law in 1911, establishing a State Bureau of Standards, under a chief of the Bureau of Standards, with "very limited powers." This law did not require any compulsory inspection service either state or local, and was inadequate on this account. The law was strengthened by amendment in 1913.

SOUTH CAROLINA passed legislation fixing the standard weight per bushel for a very large number of products.

TENNESSEE passed a general law on weights and measures. The President of the University of Tennessee is made the State sealer. The powers granted follow very closely those contained in the model law.

TEXAS passed a law, relating to cotton ginners and calling for a mark on each bale showing the weight of bagging and ties. Texas also requires that the net weight of contents be stamped upon bales, bags and packages of fertilizers.

UTAH passed several laws in 1911-1913, among them a net weight law ing the entire commonwealth. with reference to food in package form. The state food and dairy commissioner is state sealer of weights and measures. No compulsory local supervision is provided for.

VERMONT enacted a general law in 1910 providing for a state supervision of weights and measures and authorizing but not making obligatory local supervision.

WASHINGTON enacted legislation in 1911 relative to railroad scales and in 1913 relative to state-wide inspection of weights and measures for commercial use. This law contains most of the provisions of the model law.

WISCONSIN enacted a general law containing nearly all the provisions endorsed by the National Conference on Weights and Measures. In 1913 a net weight law in regard to food in package form was passed.

WYOMING in 1911 passed a net weight law in regard to food in package form.

Forests and Stream-Flow

As a result of the disastrous forest fires in Northern Idaho in 1910, it is claimed that a very evident change has occurred in the fall of water from the water shed furnishing the supply to the city of Wallace, Idaho. The basin including an area of approximately two thousand acres was covered with trees from 50 to 200 years old. These were almost wholly destroyed by the fires mentioned.

From this water shed the city gets its supply not only for domestic purposes, but also for the development of electricity for power and light, so that the maintenance of a considerable flow is essential to the city.

It is stated that before the fires the flow of the stream at its lowest stages was never below one thousand miners' inches, the unit of measurement which has been used. But since the fire, the records show that the minimum flow has fallen to about 250 miners' inches.

Records of the weather bureau at Wallace show that the precipitation for the years since the fire has been about normal for the region. This seems to demonstrate to the townspeople that the unevenness in the flow must be due to the destruction of the forest cover of the water shed and not to any change in climate or precipitation.

In view of the situation, the forest service has undertaken to reforest the denuded water shed. Some planting has already been done and eventually all of the water shed which is included within national forest boundaries is to be reforested. The people of Wallace are taking considerable interest in the work and express themselves as thoroughly in sympathy with the effort that the service is making.

STATE FORESTS:—At the 38th Annual Meeting of the Minnesota State Forestry Association late in March, there was discussion relative to the acquisition by the State for forestry purposes of a portion of its three million acres of land at present unused. The discussion brought out the fact that New York has a State forest area aggregating more than 1,600,000 acres; Pennsylvania ranks second with about 1,000,000 acres; Wisconsin third with about 400,000 acres; Michigan fourth with 230,000; South Dakota fifth with 75,000 and Minnesota sixth with 43,000.

The Question of Bonds

and their

Application to City Needs

IN an address delivered before the Sixth National Conference on City Planning, held in Toronto, May 25-27, Andrew Wright Crawford, of Philadelphia, drew particular attention to our tendency to plan municipal work only as concerns the present or the immediate future; and the inconsistency and injustice to tax payers of issuing long term bonds—usually thirty to fifty years—to cover the expense of improvements that will not benefit those upon whom the burden finally falls. Mr. Crawford declared that improvements not intended to provide for the needs of the future should be confined in expenditures to the income of the present, and that improvements should last as long as the bonds themselves. He further stated:

"As it is becoming the fashion to authorize the issue of fifty year bonds I shall hereafter refer to fifty year bonds, noting now that what is said in regard to them is generally applicable to thirty year bonds also, with an obvious reduction in proportion or in emphasis.

OUR SPEED IN DOUBLING.

"American cities double in population in twenty-five years. A city of 100,000 today will be 200,000 in 1939. This means that by 1964 it will have doubled again and be 400,000, a population four times that of today. This obvious result is not so obvious to the official who is thinking only of the present. I recently saw a computation of the future population of a city, made by a newly appointed Secretary of a City Planning Commission, in which he took the total growth of the last fifty years and assumed that the total growth of the next fifty years would be exactly the same. He assumed that the absolute figures would be the same, not the percentage. 'Dealing in futures' has heretofore been a little known art in municipal operations. The figures given above show that in fifty years the average American city will quadruple in population. The logical conclusion follows, that if the thing now constructed by the proceeds of the sale of fifty-year bonds, is to be commensurate with the needs of the people who in the latter years of the bonds' life will be making use of that thing, and also paying interest and sinking fund charges thereon, the needs of a population approximately four times the present one must be considered if for no other reason than to avoid the doing of palpable injustice.

LOOKING AHEAD

"I have qualified the duty of today in this regard as being that of providing 'measurably' for the needs of fifty years hence. To provide absolutely for such needs would compel us in 1914 to provide, and to pay proportionately for, a thing four times greater in capacity than required by us who have approximately but one-fourth the financial resources of 1964. That would be injustice to ourselves. How shall we adjust this difficulty? How shall we equitably provide payment for things needed now in a measure, which will hereafter be needed in the same, or a greater, or, conceivably, a smaller measure? This question will find an answer to some degree in a differentiation among the things constructed by the proceeds of municipal bonds—a differentiation of, which I give examples, not a catalogue.

"In the case of outlying parks, we, who secure them, should pay the minimum. Fifty years hence these parks, now suburban, and now somewhat of a joyous luxury, will be indispensable to their urban neighborhoods. We should be able to issue bonds for such parks with a very small sinking fund charge today, graded up to a large charge fifty years hence:—more, we should make park bonds run 75 to 100 years and make their present amortization charges negligible.

The term of paving bonds should be in the neighborhood of fifteen years and the immediate amortization charge should be very heavy—the charge fourteen or fifteen years hence very light. We who have the pavement at its finest should pay the highest toll.

"Stone and concrete bridges are expected to last for seventy-five years Bonds issued to provide the money for them should run as long. It is more difficult to determine whether their amortization charges should be graded up or down, or kept at one figure throughout. In the case of centrally located bridges, perhaps the last course would be advisable. In the case of bridges in suburban territories, their future greater usefulness justifies a heavier future sinking-fund charge.

"The system of main sewers may deserve a diminishing amortization charge—of main streets, an increasing one. Public buildings probably deserve a diminishing charge throughout—though possibly the summit of their serviceableness is neither at the end nor at the beginning of the life of the bonds issued for them, but at some period during that life—probably nearer its beginning than its end;—the deterioration of the physical building must be considered and deterioration begins at once.

HOW TO DIVIDE FUNDS

"On the other hand bonds issued to provide funds for the acquisition of the real estate upon which public buildings are to be erected, clearly deserve an increasing amortization charge throughout. The division for taxation purposes, of land for improvements thereon, will show how markedly the former often increases in value while the latter decreases.

"Each other city improvement should be considered likewise.

"It is true that some of these suggestions would require changes in State constitutional provisions before they could be carried out. But if city planning should contemplate a minimum of fifty years for physical results, a minimum argued for hereafter, a delay of four or five years in order to secure constitutional changes is not of paramount importance.

"Obviously, all of these methods of municipal financing and each of these differentiations among its objects require the careful study, forethought and prevision that are of the essence of city planning; they necessitate city planning if they are to be more than guesses.

"Fortunately the resources of a city increase with its needs. Failure to appreciate the fact that the annual income from taxation will be larger and the annual addition to the borrowing capacity of the city will be greater with each succeeding year, is the reason why the larger and larger plans prepared annually appear to be exceeding the capacity of the city."

Efforts and Activities of Commercial Organizations

The Collection of Dues

A very suggestive letter has been received from M. Wulpi, Commissioner of the Central Bureau of Furniture and Casket Manufacturers. In speaking of membership dues, Mr. Wulpi connects the whole subject with Mr. Naylor's admirable article in the May issue of THE NATION'S BUSINESS dealing with membership campaigns. The points made by Mr. Wulpi are as follows:

First, the association must stand for something and do things; if it does not it will be nothing but a temporary success. Second, membership should be confined as nearly as possible to those who are known to be enthusiastic, for if a certain per cent are luke warm in relation to the affairs of the association they act as a drag on the rest. Third, an association should make its effort most strongly in the direction of conferring benefits upon those who are in it. The aim should be to confer daily, weekly or monthly direct good. Fourth, granting that the above points are attended to, then the collection of dues becomes a secondary matter, for each member realizing that he is receiving constant tangible benefits, will make an effort to pay dues as soon as they become due.

Mr. Wulpi ends his interesting statements in the following words: "So, rather than consider 'How to collect dues,' the question is 'How to build up an association to a point where no member can afford to be dropped.' We have demonstrated this in our own work. Any association that has difficulty in collection of dues I would question as to effectiveness. The manufacturer paying dues wants something for them and when he doesn't get it he quits. Belonging to a mutual admiration society is too short lived."

Steady Follow-Up

Relative to the collection of dues, Mr. Howard Strong, Secretary of the Minneapolis Civic and Commerce Association, sends the following:

Dues are payable quarterly in advance, and a bill is rendered at the beginning of every quarter. On the first of the month following a statement is mailed to all delinquent accounts. If an account has remained unpaid for two quarters a letter signed by the treasurer is sent to the delinquent member calling attention to the fact that the activities and efficiency of the organization are dependent in a large degree upon the promptness of collections and requesting an early remittance. The first of the following month if the account is still unpaid a second letter is written urging a little more strongly the payment of the account. If no response is received from either of these two letters, two weeks after the second letter is mailed the member is called over the telephone and it is explained to him that unless the dues are paid it will be necessary to refer the account to the Board of Directors for authority to lapse the membership until the account is paid. Needless to say, this last procedure must be handled very carefully and emphasis laid upon the fact that the expenses of the organization are so carefully gauged by the amount pledged by the members that the Directors must know exactly the financial condition of the organization.

Very few individuals or firms care to have their names presented to a Board of Directors, whose personnel may include their bankers or other men with whom they do business, and while occasionally a member may be lost in this manner, nearly every one will be found fair-minded enough to realize that the organization is justified in insisting upon the prompt payment of dues.

Personally, I feel that the delinquent member is a liability in more ways than one. If he is allowed to remain delinquent he usually becomes an active force against rather than for the organization.

If lack of interest seems to be the cause of the delinquency, it may be wise to have a good live member attend to the case. Under no circumstances, however, do I believe in calling upon the members to act as collectors. This matter should be handled as a business proposition and attended to by the officers or a paid employe.

Charging for Delay

The Milwaukee Chamber of Commerce for many years suffered from the slow payment of membership dues. The rules are framed in such a way as to permit a membership to remain in force for a full year without payment of the dues. At the end of that time if they are not paid, the membership is forfeited. The rule at the same time provides that a member who wishes to have access to the floor of the Exchange must pay his dues in advance, but the non-resident members, or those whose business did not bring them upon the floor, were accustomed to allow their dues to go in some instances for a full year without paying.

For the last four or five years, however, the Board of Directors has made use of a plan which is very effective in securing a prompt collection of funds owing the Chamber from its membership, by permitting the dues to be paid at a certain amount within thirty days, and adding $10.00 if paid after that date. For instance: the dues for the present year were $35.00 from the beginning of the fiscal year, April 6th, if paid by May 6th. After that $45.00 is collected.

As a result they have had eighteen or nineteen members who have paid the higher dues, the balance of the membership of 605 paying in advance within thirty days of the beginning of the year. This method has worked out very satisfactorily indeed, and although there was at first some objection on the part of the less active members, the Chamber collects nearly all its funds promptly, instead of having their collection dragging along throughout the year.

The Draft Method

The North Dakota Bankers' Association has for ten years followed the practice of making a draft on each member annually for dues. This has been found the most satisfactory way of securing a response from the members. The draft has a remittance slip attached to be torn off and showing the name of the remitter. This saves for the members the trouble of writing a letter. Dues are remitted promptly under this system. The system is easily applicable to the members of a bankers' association.

GREAT FUND RAISED:—The Board of Trade of Scranton, Pa., by a memorable campaign which ended May 29, raised an industrial development fund of $1,143,850.

Utilizing the Boy Scouts

VARIOUS methods of bringing the young boys of a community into touch with civic work, the responsibilities of good citizenship and the various tasks that will confront them in later years, have been adopted by commercial organizations in many parts of the country. It is becoming generally recognized that efforts in a city, in order to achieve the highest degree of success, must grow out of civic pride, enthusiasm and co-operation, and many organizations believe that these qualities should be inspired in the youth of the community in preparing for future betterment. Thus have resulted juvenile branches of commercial organizations, "sons' dinners," young men's nights, and prize awards by the commercial organizations of a community.

The Under Forty Division of the Chamber of Commerce of Boston is reaching the boys of the city through its touch with the Boy Scouts. A statement by Mr. Walter D. Brooks, Chairman of the Scout Committee of the Under Forty Division, follows:

"The Under Forty Division has a permanent Committee, called the Scout Committee, consisting of at least five members, formed for the purpose of co-operating with the Boy Scouts of Greater Boston. The Directors of the Boston Chamber of Commerce have given this committee authority to issue not more than 30 Boston Chamber of Commerce Efficiency Badges during the current year. This efficiency badge is to be given only to Boy Scouts, and a Scout in order to receive said efficiency badge must rank as a first-class scout. Before he can come to the Scout Committee for an examination for the Boston Chamber of Commerce Efficiency Badge he must have received the following merit badges awarded by the Court of Honor of the Greater Boston Scout Council in:

1, Civics; 2, Business; 3, Personal Health.

In addition he must have been awarded by the Court of Honor of the Greater Boston Council either—

(a) One of the following merit badges:

Architecture; Electricity; Interpreting; Machinery; Printing.

Or (b) two of the following Merit Badges:

Path Finding; Public Health; First Aid; Scholarship.

The examination to qualify for the Boston Chamber of Commerce Efficiency Badge will be given by the Scout Committee of the Under Forty Division of the Boston Chamber of Commerce. It will consist in general of:

1. An examination tending to prove that he is, in fact, at the time he makes the application for our Efficiency Badge proficient in the subjects with respect to which he has previously secured merit badges. This part of the examination by our committee has been arranged for at the special request of the Chairman of the Court of Honor of the Greater Boston Scout Council.

2. An examination to enable him to prove that he has a good, reasonable, general knowledge of the leading industries, transportation lines and commerce of Boston and New England.

3. An examination with respect to some one special line of industry agreed upon in advance between him and our Scout Committee. The boy will be expected to make a special study with respect to this line of industry. In this study he will be assisted in every way by our Scout Committee and will be encouraged to, and expected to, talk the matter over from time to time while he is making a study of it with the members of our Scout Committee. Finally he will either prepare a thesis on the subject or pass an examination with respect to it.

Each year a certain number of boys —those who pass the above test best —will be given the Boston Chamber of Commerce Efficiency Badge. It is not intended to give every boy who takes the examination a badge but to make it something hard enough to secure so that the boy who gets it and other boys will appreciate it.

As one means of making known that the boys have obtained the Boston Chamber of Commerce Efficiency Badge, it is the intention to have printed in the Chamber's weekly publication "Current Affairs" a list of the names of the boys who obtain badges, and as a means of making it of practical advantage to the boy to obtain this badge, it is intended to keep on file in the office of the Chamber, for the convenience of members desiring to employ efficient, intelligent boys, a list of the boys who have secured these badges.

The Scout Committee is further investigating the advisability of:

1. Assisting in getting competent Scout Masters through showing business houses that at least some of their clerks will be more efficient in handling men through their experience in handling boys, and

2. Showing business houses that the efficiency of their boys can be greatly increased by becoming scouts and by forming troops in their own business.

Indications show that this programme will be successful, since not only are the officials of the Greater Boston Council of the Boy Scouts of America very much pleased with the plan of the Scout Committee, but many individual first-class scouts are anxious to take the Scout Committee examination for the Boston Chamber of Commerce Efficiency Badge.

It is not the expectation of this committee to have any examinations until the schools open in the fall, and it is now at work on making a report to be sent to the President of the Greater Boston Council telling him how the first-class scouts may take he above examination and where information may be found to pass the same.

I think the examination that a scout has to pass in order to receive an Efficiency Badge shows what is sought in the way of community development. We are endeavoring to educate boy scouts in civic knowledge and interest, and also develop in them a general knowledge of the principal business activities of Boston and New England, thereby training the future citizens of Greater Boston toward becoming intelligent men both in business and civic lines."

EFFECTIVE BOOKLET:—A novelty in presentation of the argument for the maintenance of a commercial organization will be found in a booklet issued by the Madison Board of Commerce. The booklet is divided into four parts dealing with (1) What is the Madison Board of Commerce? (2) What is its purpose? (3) Why Madison needs this organization; (4) What it can do for Madison and for me.

Commercial Organizations and Agriculture

The following article by Bert Ball touches on the most unique and stimulating agricultural campaigns ever undertaken by private enterprise in the United States. The Crop Improvement Committee of the Council of Grain Exchanges, of which Mr. Ball is Secretary, has produced remarkable results.

AGRICULTURAL production is not so essentially a scientific proposition as we popularly supposed. Almost any kind of a crop, in any proportions, can be raised to order, and if the price could be guaranteed ahead of the crop, there would seldom be a year so unpropitious that a large production would not ensue. Out of all of our vast acreage, there is more than one-half of the tillable land which has never been tickled by the plow, and that which has been tilled is no more than one-fourth efficient

Profitable production depends upon marketing and marketing is commerce, and, therefore, both become the legitimate province of the commercial club. In many localities agriculture is the chief business, and, should be the chief business of the commercial club.

Carson Hildreth, Chairman of the Nebraska Agricultural Commission, in addressing the State Federation of Commercial Clubs, said:

"With a given amount of crops, there is just so much business to do. If a jobber sells more goods he must take the business from some other jobber. There is no added wealth, property or benefit to the community; it is just differently distributed. There can through one means alone be a greater market in the aggregate for dry goods, more demand for the manufactured product, heavier freight traffic—and that is by producing more from the soil, properly marketed.

"Business and transportation interests are taking this fact into account and are setting aside funds to help increase crop production—purely as an investment and for the purpose of increasing their business and profits. They are joining in a common effort and a common fund—in order that more may be accomplished. It is teamwork. It is club-work. It is cooperation—the fair, just, equitable and effective way. So it is with the retailer, the banker, packer, grain and implement dealer, the commission man and the real estate man, the physician and lawyer and men in all professions, churches and schools, the street car corporations and the dray men, the hotel proprietor and publisher, all, in every walk and activity, draw their business wholly, or almost wholly, in proportion to the volume of crops grown and wealth created. It is the fundamental fact and we cannot get away from it."

Quick Results Secured

The Crop Improvement Committee of the Council of Grain Exchanges was organized primarily, to obtain a larger yield of better grain. In surveying the field we found that there were literally hundreds of agricultural propagandists traveling blindly in parallel lines. There seems to be money, energy and men enough, but while we are all preaching cooperation there is little cooperation among the preachers. This Committee, in the past four years, has not only carried its own campaign of seed selection in practically every county in every state, but has been instrumental in planning and putting into practical operation the county farm bureau plan which has now been adopted by the other commercial workers, the United States Government and the State Agricultural Colleges.

Two significant meetings were held in the City of Chicago in the month of May—one of which was attended by propagandists from all parts of the commercial world, to agree upon a unity of action, and the other was called by Dr. A. C. True, who has recently been put in charge of the States Relations Service to correlate the work, both north and south, of the County Agents through the State Leaders who represent the Government, the Agricultural College, the local farmers and the business men.

He who makes two blades of grass to grow where one grew before, in fact, produces two pounds of freight to ship, two checks to deposit, two bolts of goods to buy, two plows to sell, and more important than all, two dollars for the jeans which before had barely one.

There is a million dollars annually lying under foot in every county which nobody collects for the want of a little public spirit and community of effort.

"The farmer" must not be treated in a class apart. Conditions cannot be improved by criticising him or arousing his prejudices. The farmer is no more inefficient than the business man and naturally resents being singled out to be told of his short-comings. The successful farmer is a business man.

The business world must provide that the land be handled on business principles. The time will come when it will be a crime in law, as it is in fact, to plunder the soil. The community has a right to compel a man to return to his land whatever fertility he removes and to add a liberal percentage for posterity.

Nor is it necessary to pass stringent laws. The very best law, which will enforce itself, is the law of economics, whereby the farmer is given the profit which comes from his effort.

The only thing which will succeed permanently is to widen the functions of a commercial club to recognize agriculture as the leading business and the leading men in each vicinity must, *noblesse oblige,* become responsible for the development of the community. The plan in different counties will differ in details, but the central thought is the same. All persons—men, women and children—constituting a neighborhood must find a community of interest, and the natural leaders in each community must help each group to find itself. There must be a group at each natural trade-center, sub-divided, perhaps, with a meeting place in each school-house, but all correlated at a central trading point, generally the county seat, where there is a wise counsel of the best business and agricultural brains which shall, primarily, not only seek to double the production, but to secure every dollar which belongs to the community. This is fundamental.

The commercial club spirit is natural to some communities, but other communities which belong to the same trade zone, lack intelligent leadership. Some problems are merely local and the county association must, therefore, be subdivided into township and school district clubs. There are many problems which are too large for one county and must be handled by a group of counties. There are questions too large for this group of counties and such questions must be handled by a state federation to which all existing commercial, industrial, educational, transportational and other interests must become auxiliary.

Community Organization

The old plan was to form unrelated state and national associations for each subject. The modern plan is to organize all of the people in the community to enable them to solve one after the other, the problems that are most important. The same people who successfully build a road or a consolidated school, or fight forest fires, have learned by team-work to tackle the eradication of hog cholera, the testing of all seeds, the elimination of smut from grain, the killing off of jack-rabbits, the burning out of breeding places of bugs and weeds, and a thousand other things, which can only be accomplished by a community of effort.

One hundred silos can be built at a time by community effort, instead of one silo by one man when he gets good and ready. A survey is made to learn how many thorough-bred Holsteins each man will add to his herd. The bankers and merchants, through the Commercial Club, underwrite the whole proposition. The County Agent and Live Stock Committee are sent to a section where Holsteins are bred. An auction is held and we are happy to say that not in one instance has the monetary return been less than the expense and the underwriters have not been called upon for a dollar, but the whole proposition was financed by their moral support.

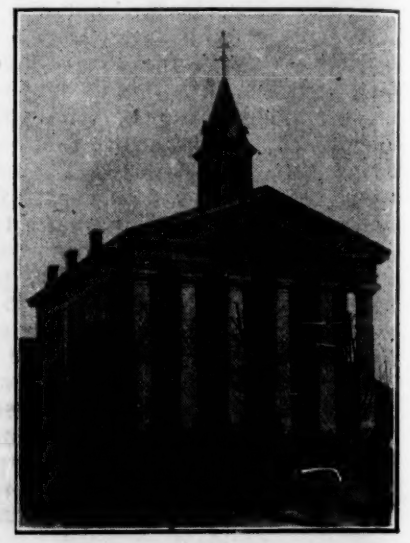
The County Agent movement is the most successful movement so far, but the installation of a County Agent is but the beginning and he will succeed in getting a greater production and a better marketing system only as he succeeds in arousing the community spirit. Individual advice is very necessary, but it is not the vital thing. The live men in the community must work on the county cabinet and each community will become prosperous in direct proportion to the activities of its people through team-work, and not otherwise.

We hope to see the time when the United States Chamber of Commerce will be instrumental in forming a Business Man's Commission in and with which the Agricultural Colleges and the United States Government will merge all plans, and so finance the overhead organization in each state that this gospel may be deeply implanted, not only in every "Middlesex village and farm," but also in the heart of every city, through the commercial clubs, which shall be taught not to grab business away from each other, but to take the fundamental step which will create better and more business for all.

Business is not an orchard and cannot live on air alone. It is rather like the banyan tree, spreading and ever-spreading, until its branches meet the ground, forming new roots and thereby gaining new life from the soil.

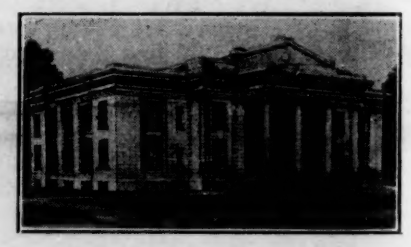
County Social Center

THE pictures shown herewith are the old and new court houses of Rowan County, North Carolina, located at Salisbury. The point of national interest in relation to so general a matter as the erection of a county court house is this, that instead of letting the old court house fall into disrepair and ultimately become quite worthless, the movement is on foot,



OLD COURT HOUSE

fostered by the Industrial Club of Salisbury, to have the old court house become a County Social Center. The idea is to use one room on the first floor for the County Free Library, another as a rest room for women of the county visiting the city; another for farm demonstration work. There will possibly be a room for the meeting place of the civic clubs of Salisbury and of Rowan County. The old court room will be turned into an



NEW COURT HOUSE

auditorium to seat as many as a thousand people. The larger rooms will be used by the Historical societies for a museum. The whole building will be renovated and improved to suit these purposes. In speaking of this unique adaptation, James H. Warburton, Secretary of the Salisbury Club says: "If this plan is carried out fully, we will have the largest and most complete County Social Center in the entire South."

Effective Exhibit

The Board of Trade of Meridian, Mississippi, maintains an agricultural and general exhibit at the Union Station in that city. It happens that Meridian is an important junction point, people passing through the depot at all hours of the day and night. The exhibit is in a plate glass case. The contents can be viewed either from inside or outside the fence separating passengers from the railroad tracks. It is an exhibit that works while the town sleeps.

Agricultural or Industrial Exhibits

Commercial Organizations that maintain either agricultural or industrial exhibits at their headquarters or elsewhere are requested to send to The Nation's Business particulars of cost to install and to maintain and a statement as to results that have been traced to such exhibits.